

U.S. Air Force Manual Calls for 'Superiority' In Space Arms, Forces

By Fred Hiatt
Washington Post Service

WASHINGTON — While politicians in the United States and the Soviet Union debate the dangers and merits of militarizing space, the U.S. Air Force is operating under a policy that calls for "gaining and maintaining space superiority," according to internal Air Force documents.

The Air Force's basic war-fighting manual, rewritten and reissued last year as basic "aerospace doctrine," argues that the military should no longer draw distinctions between the atmosphere where planes operate and outer space.

"Space is the outer reaches of the aerospace operational medium," the new manual says. "Space, as a

part of that medium, provides an unlimited potential and opportunity for military operations and a place where the air force can perform or support all of its missions and tasks."

Signed by General Charles A. Gabriel, Air Force chief of staff, the new manual incorporates an earlier Air Force test on space warfare that General Gabriel signed in 1982. That document, "Military Space Doctrine," spells out what the Air Force sees as the need to develop space-based weapons and train "space forces."

"The Air Force will maintain U.S. technological superiority in the aerospace and ensure a prolonged war-fighting capability by developing the potential for combat operations in the space medium," that manual states.

In a foreword to the manual, General Gabriel wrote: "The nation's highest defense priority — deterrence — requires a credible war-fighting capability across the spectrum of conflict. From the battlefield to the highest orbit, air power will provide that capability."

"Space is the ultimate high ground," General Gabriel said.

Two separate but related U.S. military space programs have drawn criticism from some members of Congress and sharp attacks from Soviet officials.

The Air Force is developing a satellite-killing rocket that has been tested twice. In addition, the Pentagon launched its Strategic Defense Initiative, popularly known as the "star wars" program, in response to a call from President Ronald Reagan to develop weapons that could shoot down nuclear missiles.

The Reagan administration has argued that space has been "militarized" for years, with surveillance satellites, intercontinental ballistic missiles that fly through space and, in the Soviet Union, an existing anti-satellite weapon.

However, the U.S. Air Force manual makes clear that the military is prepared to move well beyond satellites and ballistic missiles.

"Space-based weapon systems could contribute to deterrence in peacetime and to more rapid conflict termination or increased survivability in war," it says.

The 15-page manual cautions that U.S. activities in space are restricted by international law, which prohibits testing nuclear weapons in space or stationing any weapons of mass destruction there. In one paragraph, it deals with arms limitations, saying that the Air Force "will continue to study arms control options."

Arms Accord Is Hailed By Reagan

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both sides wanted to begin arms negotiations as soon as possible. He immediately went to the White House to brief President Reagan.

"When we start I just can't say," Mr. Shultz said aboard his plane from Geneva. "But I think we both want to get started as soon as it is practical to do so."

Mr. Shultz said that there was no call for celebration and that the negotiations would be long and complex.

"So we can feel pleased that we have a good agreement, but nobody's had should go in the air," he said.

Mr. Shultz said that there had been "ups and downs" in the talks. But he added: "I don't think either Gromyko or I gave any indications that we were going to go home or walk out of the talks." He added: "That wasn't the atmosphere at all."

Before returning to Moscow Wednesday, Mr. Gromyko said that the accord was a step toward dialogue.

"The entire world knows well that the situation in the world as a whole largely depends on the state of U.S.-Soviet relations," he said, adding: "This is but a step compared to the immense tasks which are to be addressed in the course of the negotiations on space and nuclear arms." (UPI, NYT, Reuters)

Kennedy Sees Mrs. Mandela

(Continued from Page 1)

which is seeking to depose the South African government, is serving a life sentence for sabotage and trying to overthrow white-minority rule. Since his conviction in 1964, he has become the symbol of black suffering under the country's apartheid system of racial segregation.

[The South African government denied Wednesday a request by Senator Kennedy to visit Mr. Mandela in prison, United Press International reported. Justice Minister Kobie Coetsee said Mr. Kennedy did not "qualify" for a visit that could "prejudice" the possibility of a future decision to release Mr. Mandela.]

The government began allowing Mrs. Mandela "contact visits" with her husband in June, she said, and extended the monthly visits from 30 to 45 minutes each. Mr. Mandela, in a prison near Cape Town, previously talked to his wife over a telephone through a divider made of bulletproof glass.

Since their marriage in 1958, when Mr. Mandela was awaiting trial on a treason charge, she said: "I've never really spent any time with him. I've never really lived with him."

"I have never known what it is to be married," she added.

Mrs. Mandela said that prison guards were always present to monitor conversations during her visits.

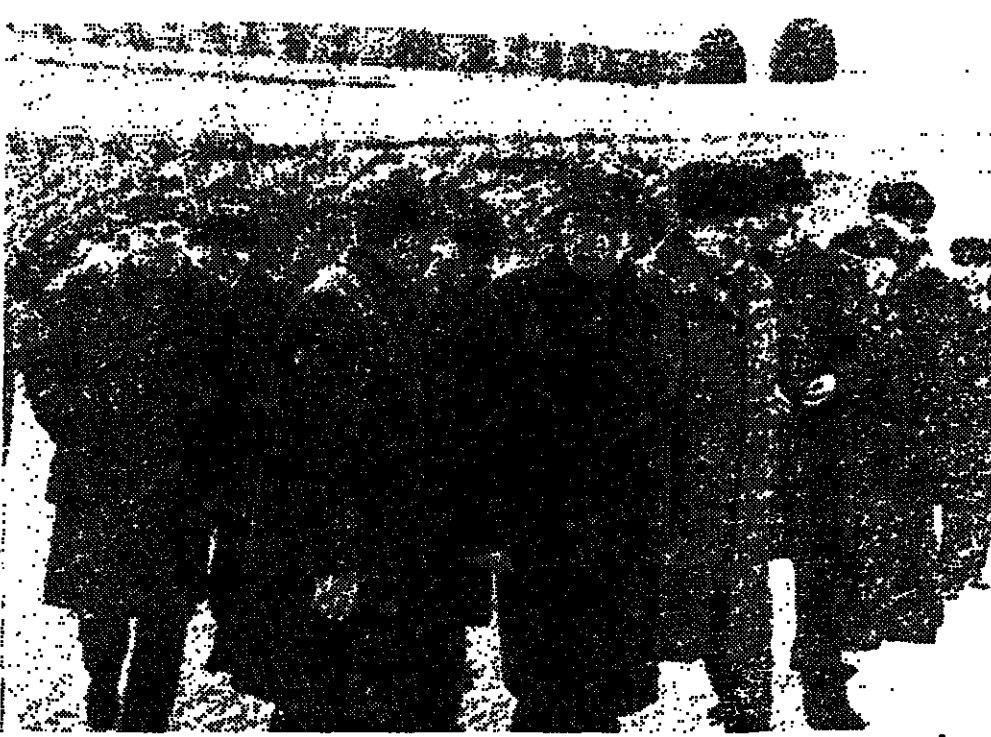
"In the past 23 years," she said, "I've never had a private conversation with him. Every word is monitored."

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Andrei A. Gromyko, center, and aides as they returned Wednesday to Moscow.

Talks Seen as Symbol Of East-West Rapport

(Continued from Page 1)

specialists on Soviet affairs is that Russian leaders know their economy is in trouble but refuse to make the necessary decisions to decentralize political control. Thus, the theory runs, they are looking for external help, much as they did in the early 1970s, in the form of trade, credits and Western technology.

Seeking external help is easier than making internal reforms. And so, many experts say, Moscow wants to clear the way for more economic intercourse with the West, and to do that means resuming the arms talks that Soviet leaders broke off more than a year ago when NATO started deploying new medium-range missiles in Europe.

For the Reagan administration's part, many officials came to believe that a bad relationship with Moscow was bad politics at home and meant bad relations with allies. As more and more officials in the administration came to say, they had to show they were able to manage Soviet-American relations or else forfeit support from allies and the American public.

Faction for arms control within the administration is still widely recognized to be modest. The division between the Pentagon hardliners and the State Department pragmatists is as deep as before, but advocates of making tough concessions to reach agreements are few.

There is still a widespread view in the administration that the Soviet Union is superior to the United States in strategic weapons. American officials are determined to demand larger concessions from Moscow than they are prepared to give. Moscow continues to maintain that there is a balance of forces and that concessions must be equal.

Thus, as administration officials explained, their position here was to continue to demand that the first priority was for Moscow to reduce its arsenal of large and powerful land-based missiles.

To make the equation even more complicated, President Ronald Reagan announced a year ago that he would give new emphasis to developing space-based defenses to protect people against missile attacks. And he argued that the whole basis of nuclear deterrence had to be reconsidered. Instead of relying on the power to destroy, he maintained, the emphasis should be on defense.

This idea, it seemed, both frightened the Russians and impelled them to return to the bargaining table. Soviet leaders demanded agreement to avoid the militarization of outer space.

The result was Geneva, not so much because officials on either side believed there was much hope for arms control but because of the realization that overall relations could not otherwise be improved.



SEES SON DIE — Annie Green participated in a prayer vigil Wednesday in Atlanta before witnessing the execution of her son at a state prison facility in Jackson, Georgia. Roosevelt Green, 28, was convicted of killing an 18-year-old woman in 1976. Mr. Green, who claimed he was not guilty, invited his mother to the execution.

White House Change: Fatigue, Restlessness Played Role

(Continued from Page 1)

Nations, as well as Mr. Reagan. The administration will also lose William D. Ruckelshaus, head of the Environmental Protection Agency.

In terms of political symbolism and alliances, the degree to which incumbency has altered the faces and the chemistry of the Reagan

network was symbolized by the president's willingness to let Mr. Reagan, the former chairman of the board of Merrill Lynch & Co., become the principal figure of his political household.

Mr. Reagan, who led a Sun Belt conservative rebellion against a Republican Party establishment dominated by Wall Street financiers and Eastern politicians, has now installed a former Wall Streetier as his chief domestic and personal lieutenant.

In policy terms, however, the president's intimates insist the changes that have been snowballing in the last week will not mean any change in presidential policies and priorities.

The president isn't going to change, no matter who sits in that job," said a longtime Reaganite. But such Republican conservatives as Representatives Jack F. Kemp of New York and Newt Gingrich of Georgia found as much cause to cheer the selection of Mr. Reagan for the top White House job

as did the Senate majority leader, Robert J. Dole.

For these conservatives consider Mr. Reagan more of a convert to their philosophy than economic growth is the best medicine for federal deficits than is a major ally of Mr. Baker, David A. Stockman.

With Mr. Reagan in command at the White House, many officials expect Mr. Stockman to leave his office next summer after a budget is passed, though his office said there would be "no change" now.

Ideological conservatives both inside and outside the administration were glad to see the end of the domination of the White House by Mr. Baker and Mr. Deaver, who are known as pragmatists and who have often blocked them on both personnel and policy. Some suggested the change was important to combat what they described as morale problems, policy infighting and disarray among the Reagan high command.

"You need a new team over there," said a cabinet member. He added: "I wish it had happened a year ago, and I say that without regard to values or philosophy. It has to do with agenda and organizational ability."

Mr. Baker's urge to move out of the draining inside work of the White House into a more visible post, such as secretary of the Treasury, had been long known, but many politicians were surprised

that Mr. Reagan would have proposed giving up the Treasury Department to take the less-glamorous post at the White House.

"I asked him why he wanted to go to the White House to be the whipping boy for all of us in Congress," said Senator Dole, "but he said he was an ex-marine, he could probably handle it."

With Mr. Baker at the Treasury Department, many politicians quickly suggested that the prospects for overhauling the tax system have improved because of his skill as a legislative tactician and his strong connections with influential congressional leaders.

Already, officials are predicting a new style of operation at the White House under Mr. Reagan, with more emphasis on cabinet government and cabinet councils and less of Mr. Baker's dependence on a tightly run political team centered in the White House staff.

Because all three senior White House officials are leaving, Mr. Reagan is not expected to have to share power with other presidential aides as Mr. Baker did.

However, several confidants of the president who say Mr. Reagan lacks the political experience and finesse of Mr. Baker suggested this could leave the president without sound political advice at his elbow unless knowledgeable strategists are brought in by Mr. Reagan.

Poland Failed To Discipline Priests, Says Policeman

The Associated Press

TORUN, Poland — A secret police captain charged with the kidnapping-murder of a pro-Solidarity priest testified Wednesday that he carried out the attack because of his frustrations with his superiors' indecisiveness in curbing the activities of outspoken Roman Catholic clergymen.

Captain Grzegorz Piotrowski continued his testimony for a third day in the trial in which he and three other security officers are charged in the October killing of the Reverend Jerzy Popieluszko.

Captain Piotrowski described how he worked long hours monitoring the actions of militant clergymen and how his superiors refused to take definitive actions against them.

At one point, he said, he gave the Polish interior minister, General Czeslaw Kiszczak, a letter outlining proposed activities against Mr. Popieluszko. He said General Kiszczak wrote on the note, "I would likely agree, but..." and he refused to take up the plan.

Captain Piotrowski, 33, and Lieutenant Waldemar Chmielewski, 29, and Leszek Pekala, 32, are charged with Mr. Popieluszko's murder. Their superior, Colonel Adam Pietruszko, 47, is charged with instigating the crime. All four face possible death penalties if convicted.

The trial is in its eighth day. Captain Piotrowski made his statements about his frustrations under questioning from Artur Kujawa, the chief judge, who said he wanted to explore the defendant's motivation for the kidnapping.

The captain said the Interior Ministry officers responsible for monitoring the church had "no free Saturdays, no Sundays." He explained that "some clerics wanted to make some trouble."

Captain Piotrowski said "how could you stay calm" when people always ask you "what is going on, why are things like they are, and you have no answer?"

He described how he discovered "tons" of underground literature in Mr. Popieluszko's apartment during a search in December 1983 that led to a one-day arrest of the priest. He said "grown men cried" in the Interior Ministry when they learned that the Reverend Popieluszko had been set free after one day.

Captain Piotrowski recounted the events after the killing, when, he said, he and his subordinates returned to Warsaw believing there was high-level support in the Interior Ministry for their actions only to have their case quickly become unraveled.

Prague Radio said the result was "hopeful and positive," but repeated Czechoslovakia's usual anti-American stance. "Influential forces still exist in the U.S.A. which hinder any disarmament talks with the Soviet Union," the commentary said.

The Soviet Union has been ready for a constructive dialogue for a long time but efforts of one side are not enough," the Prague commentary said.

Czechoslovakia and East Germany have accepted basing of Soviet medium-range nuclear missiles as part of the bloc's response to deployment of NATO Pershing-2 and cruise missiles in West Europe.

East Germany's official media reported the agreement without immediate comment, as did news organizations in Romania.

Hungary's Communist Party newspaper Nepszabadsag, in a report from Geneva, welcomed the agreement but said that a long road had yet to be covered before a new comprehensive arms agreement.

(Reuters, AP)

Free Our Baker, French Villagers Urge the Court

The Associated Press

VENDOEUVRES, France — Five hundred villagers in this area of central France have asked a court to free their baker so they can again have their daily bread.

The residents of Vendoeuvres-Saint-Germain, Migne and Mesieres-en-Brenne said Tuesday in a petition to the court that they had no intention of interfering in the justice system. But they "refuse to walk many kilometers in the snow now that the baker is in prison for a family problem."

Marc Fricaud, 44, one of two bakers in Vendoeuvres, regularly delivered bread to the homes of the town's elderly. He was sent to jail last week for failing to pay 700 francs (about \$73) monthly to his former wife to help support their two children.

The town's other baker has not been able to keep up with the extra workload.

Mr. Fricaud stopped the payments when his children came to live with him. However, friends said, he failed to complete the proper paperwork to officially change their place of residence. There was no immediate word on how long Mr. Fricaud would remain in jail.

But every day that passes is too long for the elderly residents of the area, who said it was not only the bread they missed. "When one is old and cut off from everything, it is reassuring to know there will be someone passing by each day," one villager said.

Egypt Says It's Getting French Mirage-2000s

Agence France-Presse

CAIRO — France will deliver 20 Mirage-2000 fighter-bombers to Egypt at the end of the year, Egypt's deputy prime minister and defense minister, Abdul Halim Abu Ghazala, said Wednesday.

Under a contract signed in January 1982, Egypt would become the first country outside France to receive the warplane. The Egyptian government is believed to have placed orders for another 20 Mirage-2000s.

For the Record

The 40th game of the world chess championship was adjourned Wednesday after 40 moves with challenger, Gary Kasparov, holding a pawn advantage over the title, Anatoli Karpov. It is to resume Thursday. Mr. Karpov leads in the match 5-1 and needs one more victory to retain the title.

Striking seamen employed by the French state railroad moved toward a compromise Wednesday by removing cables blocking the entrance to the harbor and the channel ferry terminal in Dunkirk, union sources said. The dispute is over plans to restructure services on the loss-making Sealink routes.

Andre Fontaine, editor of the French liberal evening newspaper Le Monde, Wednesday announced he was a candidate to succeed outgoing Andre Laurens as managing director and publisher.

The drift back to work in Britain's almost 10-month coal strike continued space Wednesday as 289 more miners broke ranks with their union and returned to the pits. The union contends that 140,000 miners remain on strike.

The former West German economics minister, Otto Lambdowski, was formally charged Wednesday with tax evasion in the Flick political bribery affair, a Bonn state court official said.

WORLD BRIEFS

Savimbi Reported Seriously Wounded

LISBON (AFP) — Jonas Savimbi, the Angolan rebel leader, has been seriously wounded during an attack by government forces on his headquarters in the south of the country, the Portuguese news agency said Wednesday.

In a dispatch from Luanda, the Angolan capital, the agency quoted Angolan military sources as saying the attack by elite troops in helicopters with heavy air support took place late last month. The troops struck at the headquarters of Mr. Savimbi's guerrilla organization, the Union for the Total Independence of Angola, at Jamba, a small town near the border with South-West Africa (Namibia), it added.

Rumors that Mr. Savimbi had been captured by Angolan troops circulated in South Africa in mid-December. He has not appeared in public for several weeks, and did not make his usual address at Christmas.

Thais Order Vietnamese From Border

TA PHRAYA, Thailand (AFP) — Thai troops ordered Vietnamese soldiers away from an area on the Thai side of the Thai-Cambodian border Wednesday, one day after the main Cambodian resistance camp of Ampil fell to Vietnamese forces, Thailand's armed forces chief, General Arthit Kamlang-ek said.

General Arthit said that Vietnamese troops were approaching an anti-tank ditch that he said was one kilometer (.62 miles) into Thailand when Thai soldiers instructed the Vietnamese over a loudspeaker to withdraw. The Vietnamese did so, the general said.

They apparently had come from Ampil, the anti-Vietnamese resistance base that Vietnamese forces routed with tanks and artillery on Monday and Tuesday. A Thai officer also said there were indications the Vietnamese might be digging in for a longer stay at the border.

China to Open All Ports to Investment

HONG KONG (AFP) — China plans to open all its coastal areas to foreign investment and trade to speed the country's economic growth, a state councilor, Gu Mu, said Wednesday, the Chinese news agency Xinhua reported.

Mr. Gu, according to an dispatch monitored in Hong Kong, made his comment during a meeting with a Chinese-language newspaper delegation from Thailand.

He said the move would "speed up the absorption of foreign funds and the import of new technology and accelerate the country's economic growth." China has opened up 19 areas to foreign investment so far. It established four special economic zones in the southeast, near Hong Kong, in 1980, opened up Hainan Island in the far south in April 1983 and then opened 14 coastal cities in April.

Filipino Minister Admits Rebel Gains

MANILA (NYT) — Defense Minister Juan Ponce Enrile warned Wednesday that the Communist insurgency in the Philippines was becoming increasingly bold and effective, noting that a "serious upsurge" in rebel activities resulted in the deaths of 2,000 civilians and military personnel last year.

Mr. Enrile described the insurgents' operations as "the most formidable threat to our national security today," adding that during the past year the rebels had increased the size, scope and sophistication of their military operations.

His remarks, made in a luncheon address, were the most detailed appraisal to date from a high-ranking government official of the insurgency's recent gains. Mr. Enrile termed the situation a "crisis," adding that the insurgents aimed to gain sufficient popular support to threaten the current government. "The grand design is to forge not only a military stalemate," he said, "but a so-called strategic stalemate with the government in all its political, economic, social and psychological dimensions."

Chinese Writers Uphold Freedoms

BEIJING (LAT) — Several of China's leading writers asserted Wednesday that their country now enjoys a vastly expanded literary and artistic freedom, but they also acknowledged that this freedom still has its limits.

Speaking at a group press conference after the end of a nationwide literary convention here, the writers praised China's current political leadership for allowing them greater independence. They said, however, that they do not anticipate any great outpouring of literary works critical of the government.

At one point, one writer, Wang Meng, was asked what might happen if a Chinese author decided to publish a work lauding Jiang Qing, the last wife of Mao. Miss Jiang was one of the principal architects of the Cultural Revolution and is now in prison in China. "If a writer writes a book praising Jiang Qing, OK, let's imagine the aftermath," Mr. Wang said. "The mass media would criticize him. When he walked on the street, people would spit on him." He added, "The publishing houses would not publish such a work."

Yugoslav Rebuts Conspiracy Charges

BELGRADE (Reuters) — A prosecution witness testifying before a district court in Belgrade said Wednesday that there was nothing secret or illegal about meetings attended by six Yugoslav dissidents being tried for conspiracy.

Jovan Miric, a psychologist, was the latest of a series of prosecution witnesses who have failed to support charges that the six conspired to undermine the state at private meetings since 1977. He said he did not know why the six were accused and why he was called to give testimony. "Our gatherings resulted from our need to exchange intellectual opinions," he said, "and there was nothing illegal in them."

He produced two letters signed by nearly 100 Yugoslav intellectuals who admitted attending the same gatherings and said that if the meetings were illegal, the signatories also should be before the court.

Time Jury to Get Secret Israeli Data

NEW YORK (AP) — A U.S. district judge ruled Wednesday that the jury in Ariel Sharon's \$50-million libel suit against Time magazine will be allowed to hear evidence from secret Israeli documents and also will be told of Time's reservations about the information.

The Israeli government reacted on Monday the answers to three written questions submitted by Judge Abraham D. Sofaer about the secret documents that Israel had previously refused to provide for security reasons. On Wednesday, Judge Sofaer ruled that the complete Israeli reply to his questions was admissible as evidence, as well as a complaint by Time's Israeli lawyer, Chaim Zadok, that he was not allowed to see all the secret documents that the magazine deemed "crucial" to its defense.

Time asserted in its Feb. 21, 1983, issue that General Sharon, then Israel's defense minister, had "discussed" with Lebanese Christian Phalangists the need for revenge for the assassination of President-elect Bashir Gemayal the day before the Phalangists killed hundreds of Palestinians in Beirut in 1982. The magazine has contended that the information to back up its article was contained in the secret documents, which were part of an Israeli commission's investigation of the massacre.

Shipping Fraud Trial Starts in Greece

PIRAEUS, Greece (Reuters) — The trial of 25 people alleged to have mounted the biggest fraud in shipping history by scuttling a huge oil tanker after selling its cargo illegally to South Africa began in this Greek port Wednesday.

Accused are 18 Greeks — seamen or shipping agents — and seven people of other nationalities, including Frederick Soudan, the Lebanese-born American who owned the 92,228-ton Salem, which sank off Senegal Jan. 17, 1980.

The charge sheet said the crew unloaded 180,000 tons of crude oil in the South African port of Durban without the consent of the Shell Oil Co. which owned the cargo. South Africa paid \$44 million into Swiss bank accounts for the crude, it said, adding that the vessel was insured for \$24 million and the oil for \$56 million.

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Regan and Baker Are Contrasts, Both as Personalities and as Aides to the President

Head of Treasury Is Reagan Loyalist

By Peter T. Kilborn
New York Times Service

WASHINGTON — Donald T. Regan, the loyal Treasury secretary whom President Ronald Reagan made his chief of staff Tuesday, has been an enigma through the first four years of the administration. It has never been clear, as his views on issues have shifted and changed over that period, where he really leans.

The simple answer is that Mr. Regan shifts where the president shifts and leans where the president leans. Rarely, since he was first appointed to the Treasury, has Mr. Regan stood apart from the president on the nation's major economic questions — the budget deficit, growth, taxes, budget cuts — that often produced open splits within the administration and sometimes even within the White House staff.

A supremely confident, self-assured executive, Mr. Regan said that it would be premature to discuss changes he would make in the White House. But a close adviser to the president said Mr. Regan would restore discipline and a sense of momentum to the staff.

"There's a sense of disarray and some morale problems over there," the adviser said. "We're wasting some time. Don't exert some discipline."

A former senior aide to the president said, however, that Mr. Regan, whatever his skills in managing personnel, had yet to prove himself as a political broker of the conflicting interests, both inside and outside the administration.

'I'm a political novice. I'm a free-market person. I believe in competition.'



Donald T. Regan

that compete for the president's ear.

Mr. Regan's appointment marks another coup, characteristically one that he engineered himself, in a career that he began in the U.S. Marine Corps. He left as a lieutenant colonel and moved on to the training rooms of Merrill Lynch, where he moved up quickly to account executive and battled on up through the steps of the senior management.

Once chairman, he took on the entire Wall Street club in breaking down its cartel-like system of fixed New York Stock Exchange commissions and close alliances that kept outsiders out of the business.

The secretary, who is 66, is a sometimes garrulous, sometimes

short-tempered, vigorous man. He seems to have thrived in the Treasury, but has often snaggled himself in the thickets of politics, where he readily admits he needs more experience to be an effective chief of staff.

To the astonishment of a Senate committee last year, for example, he suggested throwing away the 1984 economic report of the president. "He can't hack it on the Hill," said Harold B. Malmgren, a Washington economic consultant with close ties to the administration.

"I'm a political novice," Mr. Regan said Tuesday. "I'm a free-market person. I believe in competition."

The tax plan that he proposed in November was the measure of that, he said, because it seeks more near-

ly equal treatment of individuals and different industries.

Mr. Regan's aides said he accepts little at face value. "He's not wedded to conventional wisdom," said R.T. McNamara, his deputy. "He wants to see the analytical underpinnings of anyone's argument."

Donald Thomas Regan is a man who masterminds, orchestrates and controls. Detractors, the legions of orthodox economists on both the left and the right who oppose his pro-growth, supply-side economic views, credit him with important achievements through his years in the Treasury.

He takes credit for having managed the rescue of the developing country debtors, such as Mexico, Argentina and Brazil, not by setting up a new institution to help them make payments on their loans but by working through each crisis case by case and requiring that the private banks, not governments, provide most of the necessary aid.

Mr. Regan threw himself energetically into the shaping of the Treasury's tax plan, putting his personal prestige behind an ambitious proposal that has been widely attacked by businesses but that has won widespread support.

It was Mr. Regan, the confident manager-planner who engineered his own appointment to the top staff job in the White House. Last month, he said, when he heard rumblings of William P. Clark's decision to resign as interior secretary and from Mr. Regan's inner circle and put them together with reports that Michael K. Deaver, the president's deputy chief of staff, was interested in leaving, too, and that James A. Baker 3d, who wears of the job of chief of staff, he approached Mr. Baker.

Texan Won Fight For Legislation

By Francis X. Clines
New York Times Service

WASHINGTON — The astuteness of James A. Baker 3d as political compromise is such that his designation as the next secretary of the Treasury has quickly been rated as improving the chances for Congress to craft a bipartisan measure for simplifying U.S. income taxes.

As chief of staff, Mr. Baker has been more a political strategist and technician than a spokesman on monetary policy and fiscal matters, and thus his views on economic policy are publicly undefined.

But Mr. Baker was the first administration principal to signal within days of President Ronald Reagan's re-election that bipartisanship rather than confrontation would be the strategy on the difficult issue of tax simplification.

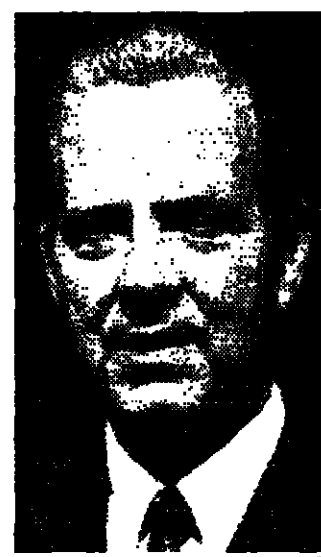
Now he can pursue this full time in assuming the major cabinet portfolio that was a remaining goal of the tall Houston millionaire.

Mr. Baker's style with Congress has forged major success for Mr. Reagan in the past four years. These included piecing together coalitions for the early budget and tax victories, for minimizing the political damage from the Social Security issue and for defending the president's MX missile program.

"More than anyone else, he has been Mr. Indispensable in the first four years of the administration," said Ken Duberstein, the Reagan administration's former chief lobbyist on Capitol Hill, who rates Mr. Baker's political instincts as the sharpest in the city.

James Addison Baker 3d, 54, will

'More than anyone else, he has been Mr. Indispensable in the first four years of the administration.'



James A. Baker 3d

bring to the Treasury post a useful mix as an experienced corporate lawyer, a veteran of the Commerce Department in the Ford administration, the manager of Mr. Reagan's re-election campaign, and most important of all, a successful gambler in the politics of Washington.

His achievement has been in reaching across political ideologies to create support for presidential programs.

Washington veterans note that Mr. Baker's talent for compromise has brought him close to such Democrats as Representative Dan Rostenkowski of Illinois, the chairman of the Ways and Means Committee, who will be a principal in the tax simplification issue.

Mr. Baker's currently most pressing credential for the financial

community, perhaps, is his attitude toward the record federal deficit. On this, he fought recently for the president's endorsement of an across-the-board budget freeze, only to see Mr. Reagan side once again with Secretary of Defense Caspar W. Weinberger and spare the military budget from deep cuts.

After four years of ideological buffeting, Mr. Baker is cautious around conservatives, although he became an angry partisan in stopping an attempt by White House conservatives to introduce polygraph, or lie detector, tests as a staff loyalty tool to stem unauthorized news disclosures.

His other intramural struggle of note involved facing off against William J. Casey, the director of central intelligence, in their contra-

ditions over how some debate briefing papers were obtained in 1980 from President Jimmy Carter's re-election campaign.

Mr. Baker's departure from the White House, expected in the spring, raises a variety of questions, principally whether his successor, Donald T. Regan, will be able to quickly build a staff of strategists and executives as effective as Mr. Baker's.

Some administration officials speculated that Richard Darman, the assistant to the president who is Mr. Baker's deputy and architect of strategy, also is likely to move over to Treasury to specialize in international finance, or eventually become the president's next budget director.

As a Republican who twice opposed Mr. Reagan's bid for the White House, in behalf of President Gerald R. Ford in 1976 and George Bush in 1980, Mr. Baker was hired as an unexpected outsider in the early Reagan administration. Eventually he succeeded in outwitting most of the president's old-line cadre of Californians. He prevailed over the continuous criticism of the self-defined "movement conservatives" that his knack for making pragmatic deals was a danger to the president's own principles.

Mr. Reagan never agreed, and while Mr. Baker will depart the White House bruised and weary, he is leaving with the obvious reward he sought and with a fresh chance to engage in the dealing on Capitol Hill that he prizes. An associate noted Tuesday that Mr. Baker, characteristically, has taken a careful, early reading on his confirmation chances in the Senate, and they look favorable.

Republicans in Senate Study Spending Freeze

By Jonathan Fuerbringer
New York Times Service

WASHINGTON — Senate Republicans began considering on Wednesday a basic proposal to reduce the U.S. government deficit by freezing spending across the board and eliminating all cost-of-living increases next year, according to congressional sources.

The freezes would affect both military spending and the Social Security program of retirement benefits and disability payments. President Ronald Reagan refused both choices in his budget proposal, which fell about \$20 billion short of meeting the administration's goal of trimming the deficit to \$100 billion by 1988. On Friday, Senate Republicans began their own attempt to meet the target.

The proposals were worked up by Senator Pete V. Domenici, Republican of New Mexico, who is chairman of the Budget Committee and of the Republican leadership's budget group.

In addition to the freeze, the package will offer Republican senators a list of possible program eliminations and spending cuts below current levels, most of which already were outlined in the president's budget proposal in December. The staff of the Budget Committee has developed some additional proposals, including a revamping of military retirement benefits and cuts in some foreign economic aid programs, the sources said.

White House officials indicated this week that they welcomed the effort by the Senate Republicans and even suggested that Mr. Reagan could accept elimination of the cost-of-living adjustment for Social Security if it was backed by Democrats.

The Republican budget group, senators who are committee heads or members of the leadership, were to be asked Wednesday whether they wanted to endorse the across-the-board freeze or modify it, and which of the additional cuts they can accept.

Congressional aides said that if

Congress passed most of the list of options, which will cover three pages, the deficit would be reduced to \$100 billion in 1988 and would balance in 1990. There is no tax increase included in the deficit-reduction outline.

Senator Alan K. Simpson, Republican of Wyoming and the new majority whip, said that Mr. Domenici would ask the committee chairman to come up with "hard figures" on acceptable reductions "so we can begin to cut."

Mr. Reagan is scheduled to send his budget to Congress on Feb. 4. The Senate majority leader, Robert J. Dole of Kansas, said Friday he wanted the Republicans to finish by Feb. 1.

In comments Tuesday, he said that tax increases "should not be considered now, but added, "If we get to that last resort, then, of course, that will be another matter."

Mr. Dole and Senator Richard G. Lugar, Republican of Indiana, indicated Tuesday that the tax reduction or simplification plan that was produced by Treasury Secretary Donald T. Regan would be modified significantly.

Mr. Lugar said the plan was "going under some midcourse corrections" aimed at "stimulating investment." His comment fits with remarks by Reagan administration officials who indicated Monday that there would be a restoration of some of the depreciation and other business tax breaks removed in the initial proposal.

The president is opposed to heavy restraints on the growth of his military budget. His package included only minimal savings, totaling under \$30 billion over three years. A freeze for one year would save more than \$106 billion over three years. It is not clear whether Congress would approve a military freeze.

Mr. Reagan proposed eliminating two dozen programs, including subsidies for the Amtrak passenger rail system and other mass transit and revenue sharing with the states. All these will be considered.

Gunman Posts Bail in N.Y. Subway Case

New York Times Service

NEW YORK — Bernhard H. Goetz, who is accused of attempting to kill four young men who accosted him on a subway train last month, has posted \$50,000 cash bail and has been released from jail.

Edward Hershey, a spokesman for the city's Department of Correction, said he believed that Mr. Goetz had used his own money Tuesday afternoon to bail himself out of the prison, where he had been held since Thursday.

Mr. Goetz appeared briefly Wednesday in Manhattan Criminal Court, but Judge Jay Gold postponed the hearing until Jan. 16 at the request of District Attorney Robert Morgenthau. The postponement was granted so additional evidence could be given a grand jury considering an indictment against him, United Press International reported.

Mr. Goetz said nothing during his brief appearance, and his lawyer, Frank Brenner, said later that his client would not testify before the grand jury because "he is under no obligation" to do so.

Many New Yorkers, outraged by street crime, have hailed Mr. Goetz, 37, as a hero who took action to defend himself.

In other developments in the case Tuesday, Mr. Morgenthau, refused to grant immunity from prosecution to three of the four young men who were shot by Mr. Goetz last month after they surrounded him and asked him for money. As a result, they refused to testify before a Manhattan grand jury Tuesday. The fourth man remained hospitalized.

Mr. Morgenthau would not say so, but lawyers familiar with the case said he did not want to run the risk that their having testified could make them immune from prosecution for other criminal charges pending in Manhattan and in the Bronx.

A witness who testified before a grand jury in New York State is granted automatic immunity from prosecution for the crime at hand as well as for any other crime he may happen to mention, unless the witness waives his immunity.

The four young men, all from the Bronx, have criminal records, mainly in the Bronx. They have had a total of 10 bench warrants issued for their arrests because they failed to keep court dates.

The most serious felony charge is against Darryl Cabey, 19, who has been paralyzed from the waist down since the shooting. He is charged with committing an armed robbery Oct. 13 with what the police said appeared to be a shotgun.

El Salvador Gets Vietnam War-Type U.S. Gunship

By James LeMoine
New York Times Service

SAN SALVADOR — The United States has provided the Salvadoran Air Force with a gunship specially designed for counterinsurgency warfare, a major increase in the weapons available to El Salvador's military, according to U.S. Embassy officials.

The gunship, a propeller-driven AC-47, is mounted with night-vision equipment and three 50-caliber machine guns able to fire 1,500 rounds a minute.

Called an "airborne fire support platform," the craft was delivered to El Salvador two weeks ago and is now ready for combat, the officials said Tuesday.

The gunship is essentially a converted, slow-moving, twin-prop airplane mounted with machine guns designed to be fired in tandem and with great precision by the plane's pilot, according to the embassy officials.

A Western official said the gunship might have been used to repel a rebel attack in the east of the country on Monday night, but his account could not be confirmed.

The craft is similar to gunships used in Vietnam but has been intentionally built to have a much reduced rate of fire, U.S. officials said. Those used in Vietnam were dubbed Puff the Magic Dragon for their ability to fire up to 18,000 rounds a minute from specially designed miniguns.

The aircraft is expected to be effective against large-scale attacks by guerrilla units, but is considered unlikely by itself to prove decisive in the war.

Although delivery of the gunship had been expected, there was no warning that it already had been delivered and was ready for use, U.S. officials in El Salvador and Washington predicted in October that at least one gunship would be sent to El Salvador sometime this year.

Vandenberg Launching Postponed Until 1986

Los Angeles Times Service

LOS ANGELES — The first launching of the space shuttle Vandenberg Air Force Base in California has been delayed until early next year because of problems in meeting the shuttle's ambitious schedule, the space agency and the U.S. Air Force announced.

The launching had been scheduled for Oct. 13, but the shuttle Discovery, which is to be based at Vandenberg, will remain at the Kennedy Space Center in Florida for two more missions than had been expected, officials said Tuesday. The delay also will provide an "added margin" of time to ensure that the secret military payload it will carry on its first mission from Vandenberg will be ready.

U.S. Bars Interviews of FBI Concerning Donovan Probe

Washington Post Service

NEW YORK — The Justice Department, after pledging its full cooperation, is now refusing to allow the Bronx authorities to interview FBI agents and others in connection with the indictment of the U.S. labor secretary, Raymond J. Donovan.

Prosecutors in the office of the Bronx district attorney, Mario Merola, said at a state court hearing Tuesday that they had protested the department's refusal to permit questioning of the FBI agents and to supply certain documents, but to no avail.

They said they were told that they would have to wait until the FBI and the Justice Department complete an inquiry into alleged improprieties by agency officials pertaining to the Donovan case.

The inquiry concerns allegations that a federal judge was misled in 1979 when government attorneys sought to justify the FBI's continued electronic surveillance of one of Mr. Donovan's co-defendants, William P. Masselli, a reputed Mafia member.

Tape recordings from that surveillance constitute the centerpiece of the state's case, which accuses Mr. Donovan, Mr. Masselli and eight others of defrauding the New York City Transit Authority of about \$7.4 million on a subway construction project.

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Herald Tribune

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Israelis Raid Lebanon Base Of Pro-Syrian Palestinians

United Press International

BEIRUT — Israeli warplanes raided a suspected Palestinian base in eastern Lebanon's Bekaa Valley Wednesday.

In Jerusalem, the Israeli military said the planes scored "good hits" on a base of the pro-Syrian Palestinian movement, the Popular Struggle Front, near the town of El Marj, about 26 miles (42 kilometers) east of Beirut.

But a Lebanese police spokesman said initial reports indicated two rockets exploded about 220 yards (200 meters) from the nearest buildings used by the Popular Struggle Front and said there were no casualties.

The attack was the first Israeli air strike into Lebanon in six weeks and came two days after Israel said it had broken off talks with Lebanon on security arrangements for Israeli-occupied southern Lebanon.

In Beirut, meanwhile, police and the U.S. Embassy reported no progress in the search for the Reverend Lawrence Martin Jenco, an American who is director of Catholic Relief Services in Lebanon. He was kidnapped Tuesday by gunmen. The priest is said to be in urgent need of treatment for a heart condition.

The priest was the eighth American to be kidnapped in West Beirut since Muslim militiamen took over the Muslim half of the capital last February. Three of the Americans have been released.

After a meeting of the Lebanese cabinet, Prime Minister Rashid Karame said his country was "keen" to continue military talks with Israel at the Lebanese border village of Naqura.

Official sources said the cabinet also considered preparations for



The Reverend Martin Jenco was kidnapped Tuesday in Beirut.

the deployment of 1,200 Lebanese Army troops along a key southern coastal road, where paramilitary police fanned out Wednesday.

Military sources said a 200-member police unit had encountered "no problems" as it secured most of the highway to the Israeli front lines in southern Lebanon and took up positions in surrounding hills.

The sources said the army would move along the road either Friday or Saturday in advance of any Israeli withdrawal of its estimated 10,000 troops in southern Lebanon. Israel maintains Lebanese troops cannot secure the south.

Israeli Cabinet Discussion
Israel's 10-member inner cabinet discussed Wednesday a unilateral pullback from South Lebanon after the failure of withdrawal talks with Beirut, Reuters reported from Jerusalem.

Prime Minister Shimon Peres planned the session to be exploratory with no final decision until after the arrival next Monday of the United Nations under-secretary-general, Brian E. Urquhart, aides said.

Refugee Flights Halted By Sudan, Airline Says

By Richard Bernstein

New York Times Service

BRUSSELS, Belgium — A Belgian charter airline stopped carrying Ethiopian Jews from the Sudan to Israel because of pressure from Sudan, a spokesman for the airline said Wednesday.

"The mission was interrupted independent of the company," said Paul Degreter of Trans European Airways. "It was not we who stopped it, but the operation had to be terminated."

In a telephone interview, Mr. Degreter declined to specify whether the airline had received instructions directly from the Sudanese government. But he indicated that landing rights had been withdrawn.

"It is a question of being able to land," he said. "If you want to go somewhere, you have to have landing rights."

The airline announced Saturday it was canceling the operation, which had brought about 7,000 Ethiopian Jews to Israel after brief stopovers in Western Europe.

Airline industry analysts and the

Belgian press have described Trans European Airways as an aggressive, growing concern that has several military contracts with the United States and others in addition to its charter flights.

It was founded in 1970 by George Gutelman, who is reported to have close ties with Israel. The company's also flies Moslem pilgrims from Sudan to Mecca, an involvement that might have led to its being chosen to fly the Ethiopian Jews from the Sudan.

Refugees See Prejudice

Ethiopian Jewish immigrants are deeply hurt by their portrayal in the Israeli press and feel they are viewed as primitives, Reuters reported from Tel Aviv, quoting a psychologist working with the refugees.

"They feel the Israeli people look down on them," Zvi Yadin, chief psychologist of the Jewish Agency's immigration department, said in a state radio interview.

An Israeli, interviewed in a northern town where some of the immigrants are staying, was quoted in a leading daily as calling them "something out of the 15th Century."

Mr. Yadin said the use of the term "Falasha" also was disturbing. "Falasha" is a dirty word to them," he said. "It means 'stranger,' and that's what they were called in Ethiopia."

He said the press had done the immigrants a disservice by listing venereal disease as one of the ailments afflicting them. In fact, only a few cases had been discovered, he said.

West Bank School Assails the Israelis For Arab's Death

United Press International

JERUSALEM — A report from Bir Zeit University on the West Bank said an Arab student killed Nov. 21 was not shot by soldiers acting in self-defense, as the soldiers claimed. The university demanded a full investigation.

The report, called "No Mercy" and backed by five affidavits and photographs, said "the army employed shoot-to-kill heavy gunfire against students without any form of warning." The report said rifles with telescopic sights had been used.

It also said a car trying to take the wounded student, Sharif Tabi, to a hospital had been delayed 25 minutes while soldiers taunted the Arabs and the student died.

The report said that after stopping the demonstration supporting Yasser Arafat, chief of the Palestine Liberation Organization, soldiers went into the university cafeteria and "smashed all the windows with their rifle butts and broke up furniture."

The Israeli Army refused direct comment. Military sources said the Israeli troops fired warning shots. They said the soldiers even aided the evacuation of the wounded student by removing roadblocks but that the students impeded the effort. The sources denied that the cafeteria was damaged.

Nicaragua Rebels Urge Sandinistas To Open Talks

The Associated Press

TEGUCIGALPA, Honduras — Three Nicaraguan rebel groups have urged the leftist Sandinista government to begin negotiations with them within 30 days, saying they would be willing to stop fighting if talks led toward "democratization."

The rebels said Tuesday in a communiqué that they were willing "to keep open the doors to a political solution to the grave problem of Nicaragua."

Alfonso Robelo Callejas signed the statement for the Costa Rica-based Democratic Revolutionary Alliance. Adolfo Calero Portocarrero for the Honduras-based Nicaraguan Democratic Force; and Wycliffe Diego for Misura, an organization of Nicaraguan Indian guerrillas.

Blacks Play More Powerful Roles in U.S. House

By Milton Coleman

Washington Post Service

WASHINGTON — The Congressional Black Caucus, perennially written off by some detractors as a powerless social club, has assumed a new prominence in the House of Representatives, highlighted by the selection of two of its members as chairmen of key committees.

Representative William H. Gray 3d, Democrat of Pennsylvania, became chairman of the House Budget Committee last week. His selection followed by a few months the ascension of Representative Augustus F. Hawkins, Democrat of California, to chairman of the House Education and Labor Committee.

Black Caucus members, most of them with relatively safe seats, now head five of the 22 standing committees in the House.

Blacks also serve as chairmen of two of the five less-important select House committees and of several subcommittees. They also hold high-ranking seats on other influential House panels, including the Ways and Means Committee.

Overall, 20 House members are black — one of every 22 House members, but one of every four of its committee chairmen.

Caucus members and others say this signals a "coming of age" of the black lawmakers, the advent of more sophisticated politicking and a long-sought focus for the caucus.

It also offers the black legislators the opportunity to have a stronger imprint on House legislation and a chance — collectively and individually — to play more powerful roles in Capitol Hill politics.

However, some wonder about the effect of the new strains on the black representatives to resolve their sometimes conflicting roles as spokesmen for their racially and economically integrated districts, for the poor, for black Americans in general and



William H. Gray 3d



Julian C. Dixon

now for diverse congressional panels.

"My guess is that in the Black Caucus in the next two to four years, as they move into positions of leadership and prominence, there's going to be a sort of identity crisis," said Norman J. Ornstein, a political scientist at the American Enterprise Institute.

"All of a sudden you can't as comfortably play the role of purist or conscience," Mr. Ornstein said. "You can't ignore the needs of people who don't agree with you as chairman, or you won't be chairman very long."

Representative Mickey Leland, Democrat of Texas, the chairman of the Black Caucus, said the new reality is likely to be an important element in the success or failure of Mr. Gray as Budget Committee chairman. In most recent years the caucus has focused much of its dissent on the budget and presented alternatives.

"We have to reorganize our game plan in terms of the budget," Mr. Leland said. "We have to look at it from the point that we have a sympathetic ear, and we have to protect his credibility and his integrity. We don't want

Bill to be just a one-term chairman."

"He also can't be shackled to being a black representative. He has to be a universal representative of the Congress. We can no longer be parochial."

"It's just an added responsibility," said Representative Julian C. Dixon, Democrat of California, who preceded Mr. Leland as caucus chairman. "Bill Gray will have to reach a very delicate balance in trying to bring together a budget."

Mr. Dixon was chosen Friday to succeed another black Representative, Louis Stokes, Democrat of Ohio, as chairman of the Committee on Standards of Official Conduct, the House ethics panel.

Representative Ronald V. Dellums, Democrat of California, heads the District of Columbia Committee and the Armed Services subcommittee on military installations. Representative Parren J. Mitchell, Democrat of Maryland, heads the Small Business Committee. Mr. Leland is chairman of the Select Committee on Hunger, and Representative Charles B. Rangel, Democrat of New York, heads the Select Committee on Narcotics Abuse and Control.

Mr. Gray and Mr. Dixon won chairmanships with some help from relatively recent House rules that provide for rotating chairmanships and memberships on some panels. The others have benefited in large part from longevity that observers say is common among black members of the House.

The late Representative William L. Dawson, Democrat of Illinois, began the flow of big-city black Democrats to Congress with his election in 1942. Since then, 32 other blacks have followed. Twenty still hold their posts.

Black Caucus members invoke the names of Mr. Dawson, the late Representative Adam Clayton Powell, Democrat of New York, who was chairman of the Education and Labor Committee from 1961 to 1967, and former Representative Charles C. Diggs Jr., Democrat of Michigan, chairman of the District Committee from 1973 to 1979, in their support for the seniority system.

Without that system, they contend, the three might not have ascended to their posts. And lacking an ironclad seniority system now, blacks are less likely to become chairmen of additional committees.

"We don't really think that racism in this country has so diminished," Mr. Rangel said. "That given the opportunity to vote on individuals based on their experience and ability that we could overcome that without the assistance of the seniority system."

Observers say it is ironic that Mr. Gray, in only his fourth term, has become virtually the most powerful black in the House. But they also note that he won the chairmanship of the Budget Committee by exhibiting mastery of the political process in the House.

That, observers say, indicates a new breed of black lawmaker that Mr. Ornstein describes as "more institutional players" than those of their predecessors and elders.

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SCIENCE

IN BRIEF

New Technique Could Replace Scalpel

LONDON (AP) — Researchers at London's Hammersmith Hospital have announced the successful development of what they say is a revolutionary new surgical technique that can make the scalpel redundant in many instances.

Professor David Allison, director of diagnostic radiology at the hospital's medical school, said the technique involves ultra-fine tubes "armed" with a variety of tiny implements and guided along veins and arteries to the kidneys, liver, brain and other parts of the body.

He said the tubes can be used to seal arteries after stabbings, road accidents or in the treatment of ulcers. Kidney stones and gallstones can also be removed using the new technique, and blocked arteries in the limbs, kidneys and even the heart can be cleared, Dr. Allison said.

Rare Whooping Cranes Branch Out

LARAMIE, Wyoming (NYT) — Wildlife researchers have found that some of the 160 endangered whooping cranes in the United States, which now inhabit summer and winter sites in four different areas, may soon make a fifth area — Wyoming — their permanent summer home.

If a new whooping crane colony is established in Wyoming it will give the rare birds an additional area for propagation, thus enhancing the chances of increasing their population. In 1937 there were only 29 whooping cranes in the United States.

The whoopers, as they are called, have been wintering in New Mexico and Texas and summering in Idaho and Canada. Researchers say a group of about nine now has taken up summer quarters in the upper Green River Basin section of Wyoming.

The Homicide Rate Follows the News

SAN DIEGO (NYT) — Widely publicized news accounts in which violence is rewarded — for example, a championship boxing match — are followed by a brief but significant rise in the national homicide rate, according to a report in the current issue of *The Journal of Communication*.

On the other hand, news articles about violence that is punished are followed by a brief decline in the homicide rate, according to the report. It said the drop in homicide rates was as great after a life sentence as after an execution.

And widely-published items about violence that is neither rewarded nor punished do not seem to affect the homicide rate at all. The research was conducted by David Phillips and John Hensley, sociologists at the University of California at San Diego.

Mastodon Bones Unearthed in Texas

AUSTIN, Texas (AP) — A downtown construction site has yielded mastodon bones, teeth and tusks, and experts said this week the pit may rank as North America's second-largest repository of bones from the prehistoric elephant-like beasts after a similar site in Missouri.

The bones, lying in what may have been a watering hole more than 10,000 years ago, were discovered 17 feet below street level by a backhoe operator who noticed a flash of ivory in a mound of gray clay.

Scientists used hand shovels Tuesday to sift through the damp soil where the first bone was found Dec. 30, while bulldozers scooped up dirt from other parts of the excavation for a 22-story office tower.

Mastodons died out more than 10,000 years ago, but at least one of the tusks discovered was well-preserved by the clay, Ludelius said.

Too Much Water Endangers Infants

WILMINGTON, Delaware (NYT) — Infants suffering from a wide variety of ailments, from simple restlessness to convulsions, may in fact be "drunk" on water.

If, for example, they are fed with excessive amounts of very diluted formula, they may develop an extremely rare but potentially fatal condition called water intoxication, according to Robert E. O'Connor of the Wilmington Medical Center in Wilmington, Delaware.

Body cells swell and cellular metabolism is disturbed. Symptoms are restlessness, nausea, vomiting, diarrhea, weakness and convulsions. However, Dr. O'Connor warned that giving infants too little water when they are ill may lead to dehydration.

By Harold M. Schmeck Jr.

New York Times Service

IN the classic experiments of the Russian physiologist Ivan Pavlov, dogs salivated when a bell rang because they had been trained so that their brains associated the sound with the presence of food.

Now, American scientists have evoked a similar conditioned reflex to show that the brain can exercise direct control over cells of the immune defense system, the body's main bulwark against disease.

Other recent experiments in the United States and abroad have shown that the two hemispheres of the brain influence the immune defenses in different ways and that some brain chemicals have specific effects on immune cells.

It has long been known that the body's two most important windows on the outside world are the brain and immune defense system. Everything we hear, feel, see or imagine comes through the brain.

And almost every virus, microbe or other foreign particle that invades the body triggers some kind of immune response. But the specific effects these two master systems exert on each other have been relatively little explored, partly because the interactions are so complex.

Some ingeniously designed research is now beginning to reveal details of the brain's effects on the immune defenses. The findings have raised hopes that eventually the research may lead to better treatments for disorders in which the immunological defense system is deficient or active in some abnormal way.

One series of experiments has shown that the activity of certain immune defense cells called natural killer cells can be greatly enhanced by the brain's trained response to a totally extraneous stimulus from the outside world — a strong odor. The killer cells are part of the body's surveillance system that protects against invasion and probably against cancer.

THE research was designed by Novera Herbert Spector of the National Institute of Neurological and Communicative Disorders and Stroke, a unit of the National Institutes of Health. The experiments were done mainly at the University of Alabama medical school in Birmingham by Brent Solvason, Vital Ghania and Raymond Hirahito.

Mice were exposed for three hours at a time to the odor of camphor. The scientists showed that exposure to this odor, by itself, had no detectable effect on the immune system.

But in the experiments, some of the mice were also given injections of a synthetic chemical called poly I:C (for polyinosinic-polycytidylic acid), which is known to enhance the activity of natural killer cells. The exposures were repeated nine times in a strategy similar to that of the Pavlovian conditioning in which dogs were given food every time a bell rang. In each session of the immunity experiments, the mice were exposed to the odor and given injections of the chemical.

Then, in the 10th session, the mice were exposed only to the odor of camphor. They received no injections at all. Nevertheless, every mouse showed a large increase in natural killer cell activity.

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THE effect, Spector said, was comparable to that of Pavlov's experiments in which animals could be made to salivate simply at the ringing of a bell. In the new case, the animals' brains evidently activated the immune defense without waiting for the poly I:C just as the dogs had begun to salivate in the Pavlovian experiments without waiting for the food to appear.

In the new experiments, several different control groups of mice were given treatments that were similar but not identical to the injections and exposure to odor that were the crux of the research. This was done to make sure that the effect was really what it seemed to be and was not a result of some unforeseen aspect of the experiments. For example, some animals were exposed to the odor of camphor and given the injections in each of nine sessions. Then, in the 10th session, they were not exposed to the odor at all, but were given injections of harmless salt water.

When the two groups were compared, the scientists found that the animals in the experimental group — those given only the exposure to odor of camphor in the 10th session — had natural killer cell activity three times as great as the animals in the "control" group that lacked the exposure to the odor in the final session.

This threefold difference was strongly significant, Spector said. Furthermore, the animals that had been "conditioned" to the odor had 39 times as much activity of natural killer cells as another control group that was exposed to the odor of camphor and given injections of salt solution in each of 10 sessions.

The research was reported in December at the National Institutes of Health in Bethesda, Maryland, at the First International Workshop on Neuroimmunomodulation, a word coined by Dr. Spector to embrace studies of the links be-

tween the brain and the immune defense system.

Another report at the workshop demonstrated that the two hemispheres of the brain have different effects on the immune defenses, a circumstance that had been suspected since scientists such as the late Norman Geshwind of Harvard University reported that left-handed people were more likely than

right-handers to suffer from disorders of the immune system.

The new experiments, reported by Gerard Renoux of the Medical School of Tours in France, showed that the destruction of parts of the brains of mice had different consequences, depending on which side of the brain was affected.

The experiments were done with a breed of mice known to lack any

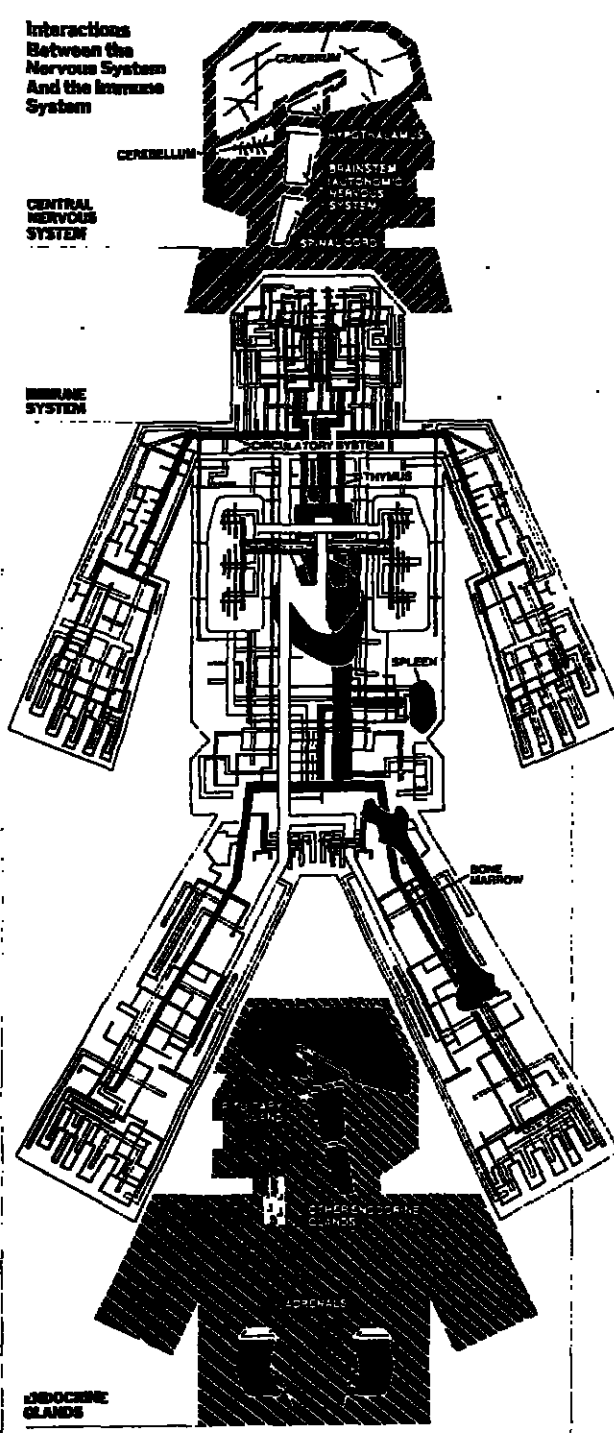
strong dominance of one brain hemisphere over the other. Never-

theless, when a large portion of the animals' left hemisphere was removed, the number and activity of certain immune defense cells called T cells was reduced. When comparable surgery was done on the right hemisphere instead, no difference in T cell numbers was found, but the activity of T cells appeared to be increased, Renoux reported at the meeting.

And the sheer power of the effects the brain on the body as a whole is amazing. From the dawn of history, medicine and folklore have been replete with illustrative anecdotes, even though the means by which these effects work have usually defied explanation.

Scientists have confirmed that a witch doctor can cause death by convincing the victim that he or she is going to die. Many studies have shown that some patients will stop feeling pain after a doctor has administered an inert substance, or placebo, provided the patients believe they have received powerful painkillers.

Conditioned Reflexes Show Brain Controls Immune Defenses



D. F. Bach/The New York Times

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THESE findings offer specific clues to a generality that has been obvious to scientists for a long time: That the brain is not only the organ that controls behavior, but is ultimately the monitor and governor of every aspect of body function and chemistry. For example, the brain and nervous system influence the digestive system and orchestrate the complex chemistry of the endocrine glands. In turn, the functioning of these vital systems can have profound effects on be-

'Nuclear Winter' Could Be Less Severe Than Predicted

By Lee Siegel

The Associated Press

LOS ANGELES — Long periods of sub-freezing weather are unlikely in a "nuclear winter," but smoke from a nuclear war still could block enough sunlight to drop summer temperatures to near freezing and destroy crops, researchers say.

"The intensity of the cooling is not as great as originally proposed," said Alan Hecchi of the National Oceanographic and Atmospheric Administration, summarizing the findings by researchers at California's Lawrence Livermore National Laboratory and Colorado's National Center for Atmospheric Research.

The new studies were based on some of the most sophisticated computer simulations yet developed to estimate what might happen if a nuclear war set cities, industrial centers and forests afire, blocking sunlight and plunging Earth into a dark, cold "nuclear winter" for survivors.

The original nuclear winter theory was proposed about two years ago by atmospheric physicist Richard Turco, astronomer Carl Sagan and their colleagues. It predicted that smoke and dust could reduce average, annual Northern Hemi-

sphere temperatures from about 55 degrees (13 centigrade) to well below freezing for months or longer.

The new studies, presented Monday to the American Meteorological Society, don't eliminate the possibility of an extended period of subfreezing weather, but simply show a range of possibilities.

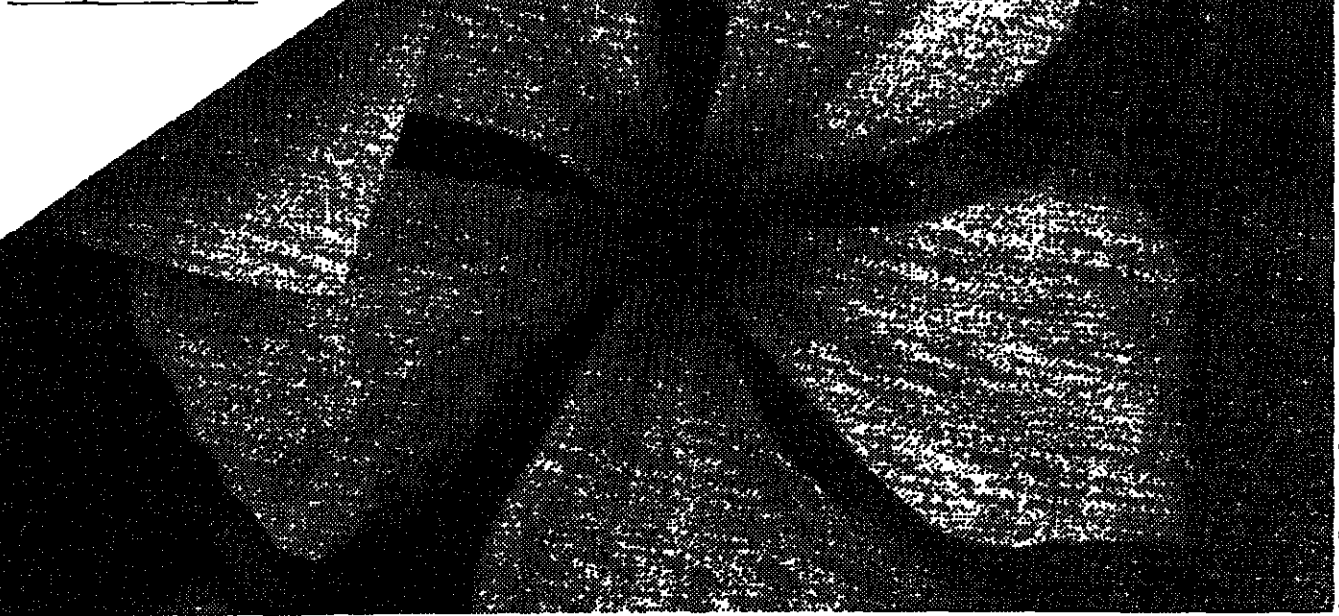
That range extends from a prolonged deep freeze over much of the Northern Hemisphere to shorter periods of near-freezing temperatures over much smaller areas.

The researchers found that a nuclear war during summer could reduce temperatures from the 70-to-90-degree range down to near freezing in the central portions of continents for shorter periods of time than envisioned in earlier studies, said atmospheric physicist Michael MacCracken. They also found temperatures probably would not change much in coastal areas.

But he said even brief periods of near-freezing temperatures would destroy many food crops.

Lawrence Livermore researchers found that smoke from burning cities in the Northern Hemisphere would spread to the Southern Hemisphere far more rapidly than had been believed previously, Dr. MacCracken said.

Catharanthus roseus. Many of the world's children who have suffered from Leukemia are now alive due to the properties discovered in the rosy periwinkle. It originated in Madagascar, where thousands of endemic plants are in danger.



Plants have fed the world and cured its ills since life began. Now we're destroying their principal habitat at the rate of 50 acres every minute.

We live on this planet by courtesy of the earth's green cover. Plants protect fragile soils from erosion, regulate the atmosphere, maintain water supplies for agriculture and prevent formation of deserts. Without plants man could not survive.

Yet, knowing this, we are destroying our own life-support system at such an alarming rate that it has already become a crisis — a crisis for ourselves and an even bigger one for our children.

The figures alone should tell the story — we destroy a tropical rain forest three times the size of Switzerland every year; within 25 years only fragments of the vast Malaysian and Indonesian forests will remain.

What we are destroying Much of the food, medicines and materials we use every day of our lives is derived from the wild species which grow in the tropics. Yet only a tiny fraction of the world's flowering plants have been studied for possible use. Horrifyingly, some 25,000 of all flowering species are on the verge of extinction.

Once the plants go, they are gone forever. Once the forests go only wastelands remain.



Photo: Courtesy of Richard Evans Schulze
Dr. Richard Evans Schulze, director of the Botanical Museum at Harvard University, has spent 13 years in the Amazon jungle collecting the 'magic' plants of myth and legend and making them available to Western medicine and science. "The drugs of the future," he says, grow in the primeval jungle.

Who is the villain? There is no villain — except ignorance and short-sightedness. The desperately poor people who live in the forests have to clear areas for crops and fuel, but they are doing this in such a way that they are destroying their very livelihood. Add to this the way in which the heart is being ripped out of the forests to meet the demand for tropical timbers and we have a recipe for disaster.

What can be done about it? The problem seems so vast that there is a tendency to shrug and say "What can I do?" But there is an answer.

The WWF Plant Conservation Programme
The World Conservation Strategy, published in 1980, is a programme for conserving the world's natural resources whilst managing them for human needs. A practical, international plant conservation programme has been prepared based on WCS principles and is now well under way all around the world.

You can become part of it
The WWF Plant Conservation Programme is a plan for survival which you can help make a reality. Join the World Wildlife Fund now. We need your voice and your financial support. Get in touch with your local WWF office for membership details, or send your contribution direct to the World Wildlife Fund at: WWF International, Membership Secretary, World Conservation Centre, 1196 Gland, Switzerland.

Save the plants that save us.
WWF FOR WORLD CONSERVATION

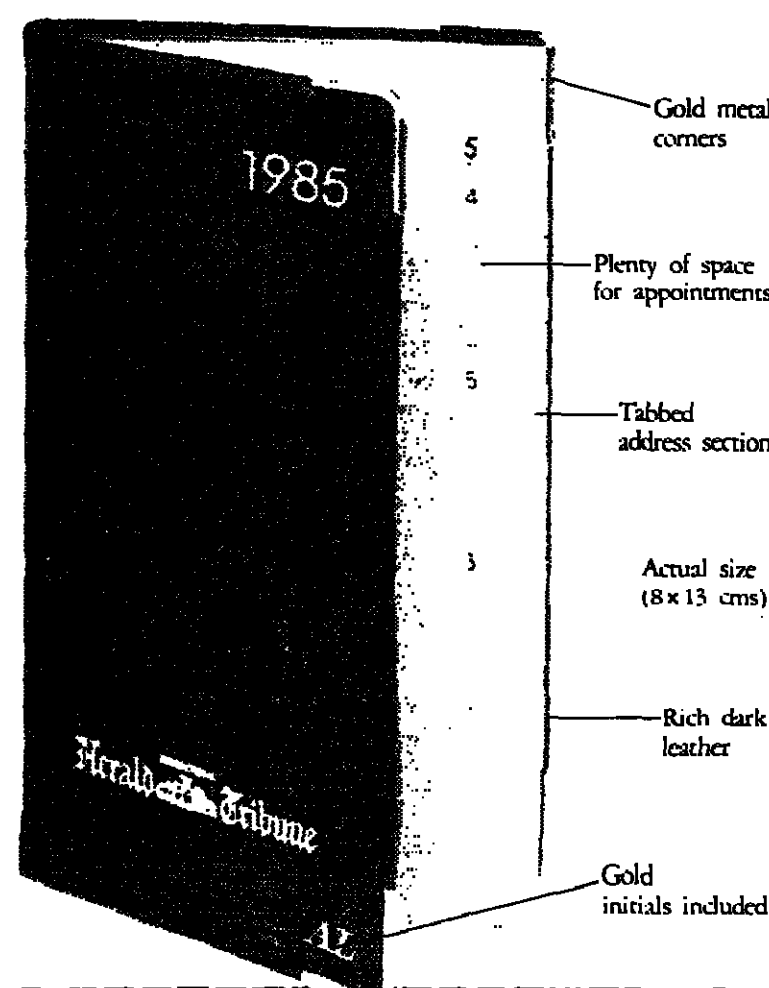
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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Arms Talks Are On Again

Secretary of State George Shultz went to Geneva to reopen arms control negotiations with the Soviet Union. Late Tuesday he fairly claimed "success." After 14 hours of talks with the Soviet foreign minister, Andrei Gromyko, the two announced that their countries would soon start talking about space and nuclear arms (strategic and intermediate-range) with the ambitious aim of limiting and reducing their arsenals and eventually eliminating them. So after a frosty 13-month interlude brought on by Moscow's boycott of the START and INF talks, the United States and the Soviet Union will be back at a table.

Each side, it appears, is giving up something to get there. Moscow dropped its rigid and noisy insistence — the Gorbachov line — that the "star wars" program be terminated as the first order of arms control business. The Reagan administration seems to have backed off its earlier position, asserted strongly in the days preceding the Geneva meeting, that it would not even consider submitting "star wars" to discussion with Moscow.

The upshot is that space arms will for the first time be included in a negotiation. The discussion of America's Strategic Defense Initiative, of special concern to Moscow, will allow the United States to press its concerns about what Mr. Shultz called "the erosion of the ABM treaty" — an evident reference to

indications of Soviet cheating on that earlier accord. Along with space arms, there will also be talks on strategic and intermediate-range missiles, the familiar categories on which state-mate had already been achieved. This "complex of questions" in the Geneva communiqué's phrase, will be taken up by Soviet and U.S. delegations divided into three groups.

There has been no movement in East-West arms control since the Soviets' invasion of Afghanistan in 1979. The talks and the production lines, however, have not been similarly inactive. Is there a place now for cautious hope that things are a bit different? Mr. Reagan is resuming negotiations not just because of "peace" pressures, some perhaps self-generated, but because he feels his rearmament program has evened up the bargaining odds. The Soviets appear to have deep anxieties about America's tremendous technological thrust and thus a further incentive to deal.

A formidable backlog of disagreements and difficulties lies in the way of substantive progress. Only the "objectives," not the all-important details of Mr. Reagan's and the Kremlin's negotiating strategies, were pursued at Geneva. Still, it is good to have the two countries engaging again in what Secretary Shultz called "the necessary give and take," and agreeing finally to address the serious issues.

— THE WASHINGTON POST.

Baker to the Fire Station

The Treasury Department can only be strengthened by the switch of jobs between it and the White House. In James A. Baker 3d it gets an extremely able administrator capable of imposing a consistency and purpose that Treasury policy has not often shown in the past four years. But Mr. Baker will be working in an administration that regards the matter of whether it really wants an economic policy, or needs one, as an open question.

Meanwhile, the imbalances in the American economy continue to grow. The most obvious of them is the federal budget deficit, but the more immediately dangerous is the deficit in international payments. That one leaves the United States vulnerable to sudden changes of mind on the part of foreign investors who do not necessarily have much concern for stability in America. Working at the Treasury in the months ahead is going to be like doing duty in a firehouse. As long as inflation stays relatively low and business keeps expanding, there will not be much to do beyond the usual routine — polishing the fire engines' brass, in effect — because the president does not see the need to do much. But if inflation starts to rise or the economy to slide, the bells will ring at the Treasury and the secretary will have to move very fast in highly technical operations that, to Mr. Baker, are not familiar.

He will need, first of all, to recruit a stronger

corps of specialists than the Treasury now possesses. The Treasury has not been well staffed in recent years. The erosion in the structure of senior civil servants had been going on for some years before this administration came to office. In the past four years there have been visible gaps at the political level as well, particularly in the crucial areas of monetary affairs and international finance. If the dollar's very high exchange rate should suddenly drop, the strength of the performance in those offices would make a great difference to the administration and the record that it will leave in American politics.

Beyond the ability to respond with technical skill to an emergency, the next secretary of the Treasury will need to think carefully about the administration's machinery for making economic decisions. That machinery is not in good working order now. One of the principal jobs, the chairmanship of the economic advisers, is vacant. The Office of Management and Budget has only a limited role. Above all, there is the growing atmosphere of indifference to all the money troubles. The view at the White House is that those carping economists, with their dire predictions, are wrong once again and that things are going along very nicely. So they are, for the moment. But if that should change, it might change very quickly.

— THE WASHINGTON POST.

Other Opinion

A 'Happy Ending' in Geneva

When diplomats get together to talk about talks, their objective is to establish a framework for substantive negotiations. Secretary of State George Shultz and Soviet Foreign Minister Andrei Gromyko achieved that precise, limited and highly important objective during their two days of discussions in Geneva. We welcome the Geneva accord as the "important beginning" described by Mr. Shultz. The American and Soviet governments, despite their ideological differences, have no higher obligation to themselves or the world than to bring their nuclear rivalry under control.

— The Baltimore Sun.

The Geneva conference undeniably had a happy ending. It should not be forgotten that Mr. Shultz came to Geneva without expecting much to result. But the political will to reach an agreement was there. The Soviets have softened their position a great deal in the last few weeks, without obtaining the same degree of concessions from Washington.

— La Libre Belgique (Brussels).

The public, awash in television hype, must desperately need a primer to the almost hysterical focus on the Shultz-Gromyko encounter. Before the Reagan era, such a meeting in Geneva would have been routine until boredom. Today it has the air of a Second Coming. Wars, even cold wars fought by proxy with big defense budgets, are essentially political struggles; and to win them you must gain and hold the political high ground. Here the Reagan administration has seriously defaulted. The sterility of the administration's record in

nuclear arms negotiation, exacerbated by Soviet propaganda and bluster, has steadily eroded the unity and patience of America's European allies. I think it probable that Ronald Reagan, whose judgment is often superior to his advice, has at last sensed this.

Soberly viewed, the Shultz-Gromyko talks may be merely the latest in nuclear-age blarney and circles, bringing arms control no nearer. Yet if they convincingly satisfy the craving on both Atlantic shores for reassurance, they may do more to strengthen the hand of the West than a dozen MXs or B-1s.

— Syndicated columnist Edwin M. Yoder Jr.

New Accountability in Nigeria

This was the first Christmas in Nigeria's history, wrote a Lagos columnist, "when so many representatives of an entire generation of powerful and influential men will be singing their carols in jail." Therein lies the main achievement of the year of military rule that began with the coup of Dec. 31, 1983.

The idea of accountability has been reborn. A spectacularly corrupt regime was overthrown. Also overthrown was the "received law" — to quote the columnist in the Lagos Guardian again — that if you belonged to the right class in society "your crimes may be visited on your property and your bank account but never on your person."

If the incarceration of hundreds of rich politicians has convinced a generation that it is a mistake to salt away millions from public funds, then General Mohammed Buhari has undoubtedly done some service to his state.

— The Times (London).

FROM OUR JAN. 10 PAGES, 75 AND 50 YEARS AGO

1910: Change in China Is Discussed
NEW YORK — China's awakening, the participation of her people in government and matters connected with the advance of the Far East engaged the attention of the American Economic Association at its session here [on Dec. 31]. Mr. T. L. Chao, of the Harvard Law School, read a paper on "The Old Regime in China," in which he reviewed periods of history and explained the attitude of the inhabitants to their rulers. "Government and Public Opinion in China" was read by Mr. Chang Lau Chi, of the University of Wisconsin. "The press in the leading cities of China," he said, "is coming to have the same type of interest as it has in Western cities. The newspapers are being edited by men of liberal views. There are, moreover, several for women."

1935: Iraq Seeks Censure of Persia
GENEVA — Oil will stand behind the scenes in the Council of the League of Nations which opens here [on Jan. 11]. Iraq has invoked the League Covenant against Persia, which involves the frontier dispute involving Abadan, a shipping port on the Shatt-al-Arab River for the Anglo-Persian Oil Company. Foreign Minister Kazemi of Persia has demanded the revision of the present Iraqi-Persian border. Basing itself upon the 1913-14 protocols between Persia and the old British Empire, Iraq, according to M. Kazemi, maintains that the Persian-Iraqi frontier is on the Persian bank, instead of in the middle of the Shatt-al-Arab River. He will urge, he said, doing away with a treaty which gives Iraq jurisdiction over the waters of the Persian port of Abadan.

'The Era of Armaments Has Ended ...'

By Chalmers M. Roberts

WASHINGTON — One day in March 1945, Senator Arthur Vandenberg of Michigan sat down beside the desk of President Franklin D. Roosevelt in the Oval Office and noticed on FDR's desk a copy of a report with a heavy line under these words: "If World War III unhappily arrives, it will open new laboratories of death too horrible to contemplate."

Within a month, FDR was dead, and in another four months the atomic bomb was dropped on Hiroshima. Ever since, Americans of conscience have wrestled with the problems it posed.

Early on, the issue became bipolar, as the Soviet Union joined the nuclear club. By now the weaponry has so increased in force, numbers and accuracy that human life in the Northern Hemisphere, if not on the entire globe, could be destroyed in a nuclear exchange.

Having stood in the rubble of Hiroshima and Nagasaki three months after their destruction and having written about this subject for more than 30 years, I believe some points merit emphasis today as America and the Soviet Union again discuss what to do about nuclear weapons.

The United States and the U.S.S.R. are like "two scorpions in a bottle, each capable of killing the other, but only at the risk of his own life," as J. Robert Oppenheimer once put it.

To get out of that bottle, President Kennedy said, "we must transcend our own attitude as individuals and as a nation."

He meant that the problem was political: that the scientific arrangements in any agreement to curb nuclear weaponry must rest on a political base acceptable to both superpowers. All these decades, the scientists have raced ahead of the political leaders and their diplomatic emissaries.

We all know that American and Russian attitudes toward each other have been permeated with fear and hatred. Perhaps most Americans agree with President Reagan's characterization of the Soviet Union as "the focus of evil in the modern world," a country whose leaders "reserve unto themselves the right to commit any crime, to lie, to cheat." The grip of fear and hatred the other way round, based on Marxist-Leninist dogma, has been no less intense.

At times, as in the numerous crises over Berlin and the 1962 Cuban missile crisis, the superpowers have seemed to be moving inexorably to the brink. It was Soviet Premier Nikita Khrushchev

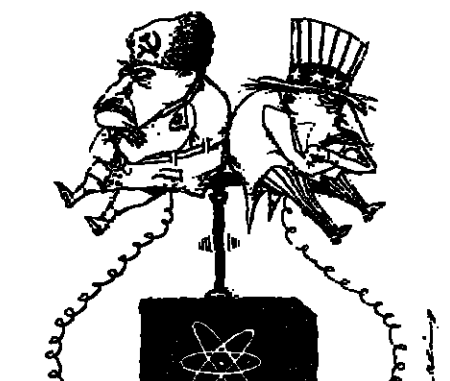
who remarked, after Cuba, that "there was a smell of burning in the air."

Mr. Khrushchev drew an important lesson from Cuba. In the following year the Soviet Communist Party adopted his new formulation that "the atomic bomb does not adhere to the class principle" (i.e., it will not destroy just the capitalists); "it destroys everybody within the range of its devastating force" (us Communists, too). Both sides now have long recognized that.

Andrei Gromyko, the veteran Soviet foreign minister who met Secretary of State George Shultz this week in Geneva, has noted: "The systems of the control and direction of arms are becoming increasingly autonomous ... from the people who create them ... The government must do everything possible to be able to determine the development of events and not to find themselves in the role of captives of events."

Despite all the distrust, then, there exists a rational basis — self-preservation — for the superpowers to negotiate ways of lessening the chances of nuclear war. Now, in Geneva, we have conducted a new exploratory round.

We have been there before, beginning in 1946, when Bernard Baruch introduced the American



By Cummings in the Winston Free Press. Distributed by Cartoonists & Writers Syndicate.

plan for an international atomic energy agency with the somber Biblical words, "We are come to make a choice between the quick and the dead."

That moment, however, was not "ripe," as the diplomats say. Nor has it been ripe on subsequent occasions when one side or the other felt it was being locked into a dangerous inferiority. The two strategic arms limitation agreements, SALT-I and -2, came at moments when the superpowers felt they were at rough parity.

William C. Foster, a wise American arms control negotiator, described the circumstances necessary for success as that moment when "the technological stars and planets" are "in favorable conjunction, so to speak."

For three years President Reagan contended that America was in a state of inferiority, suffering from a dangerous "window of vulnerability." The Shultz-Gromyko talks were possible only because Mr. Reagan in early 1984 began publicly to accept the notion of rough parity, although it is apparent that there are administration foot-draggers, notably in the Pentagon.

Richard Nixon and Henry Kissinger showed that agreement (SALT-I) was possible at a time of rough parity even if there were bitter political differences. Today, despite strong differences over Poland, Afghanistan, Central America, human rights and numerous other issues, nuclear parity has been evident enough to make the moment "ripe" for the Geneva meeting.

And "the technological stars and planets" are in conjunction: Mr. Reagan's "star wars" concept offers a bargaining chip, something to trade for a major lessening in the menace of the Kremlin's overwhelming number of land-based intercontinental nuclear missiles.

It is easy to be a pessimist, to feel that human history is so full of misperceptions and miscalculations that there is little reason to expect that Americans and Russians will not ultimately stumble into a holocaust.

Still, how can we do other than hope that, as President Eisenhower put it, the superpowers have "sense enough to meet at the conference table with the understanding that the era of armaments has ended and the human race must conform its actions to this truth or die?"

The writer is a retired chief diplomatic correspondent for The Washington Post.

Middle East: Look for a Crossroads Not Far Ahead

By Flora Lewis

PARIS — The Middle East is approaching another crossroads. There have been many important changes in nearly two generations since the Jewish state was founded. But the timing never coincided in a way that could bring Israelis and Arabs closer to a settlement. Whenever one side neared a willingness to move, the other wasn't ready. Now a small chance for approaching common ground appears on the horizon.

Again, timing is everything. Egypt and Jordan are in a hurry. The Egyptian establishment, both supporters and critics of President Hosni Mubarak, is edgy. The surface is calm, but they note telltale signs of unrest in their country, which is normally placid but is capable of explosions. There is a sense of lack of direction, of impatience seeking a new goal.

They don't know what to do, and they look to Washington for inspiration. Many Arabs have swallowed the axiom that the United States cannot take any foreign policy initiative before elections. So they figure that something must happen in 1985, or soon after, or they will be left to despair another four years.

"Even a gimmick," one senior official pleads, "but something soon, something to break the feeling that the peace process is stagnant."

Jordan's King Hussein is pressing because he realizes better than most that Palestinians in the West Bank and Gaza are not frozen in time.

He fears that Israeli settlement in the areas is becoming an irreversible step to annexation, which would confront both Israelis and Palestinians with new catastrophes. He has moved with unaccustomed audacity in restoring relations with Egypt and hosting the Palestine National Council, which aggravates tensions with Syria and costs him support from Saudi Arabia. He wants U.S. help to close Arab ranks behind him.

There are signs that Israeli policy is moderating more than might have been expected under a fragile coalition government. But before Jerusa-

lem can consider the divisive question of how to launch negotiations, it must resolve two emergencies. They are an important part of Menachem Begin's legacy, a painful burden that has weakened the country more than it realizes despite its overwhelming military power.

One is to reverse the continued degradation of the shattered economy. The other is to extricate Israel from the debacle in Lebanon.

It is surprising, given the acerbity of Israeli politics, that Prime Minister Shimon Peres does not justify the hard measures he must take by pointing out that he inherited the mess. Politicians explain that the need for coalition prevents distributing blame.

Israel needs time to digest the shock of its condition and face the tough effort of turning it around. In a way, the depth of its trouble is a help.

As a result of the Begin period,

Arabs and Israelis both worry about the other side's internal politics. Israelis, with reason, have always worried about instability in Arab countries as a potential flaw in any covert or official agreement. Arabs who take some comfort from Mr. Peres's desire for peace and Ehud Weizman's new cabinet role of seeking contacts with Israel, which he left to sort by the return of a rampaging Ariel Sharon at Israel's helm.

So a favorable moment for the peace process may be coming, but it probably won't last long. It will be important for the United States to stretch the time available with delicate diplomacy, small steps of reassurance for Israel and hope for Arabs. Then, when the time is ripe in a year or so, Washington should insist on negotiations. To make clear now that this is America's intention would help prevent another tragic slippage.

The New York Times.

Middle East: Italians Busy Out in Front

By Enrico Jacchia

ROME — For the first six months of 1985 Italy holds the presidency of the European Community's Council of Ministers. The Rome government seems determined to try to rally European support for an initiative in the Arab-Israeli conflict.

Prime Minister Bettino Craxi has had a series of meetings with Arab leaders in the last two months. He has visited Riyadh, Cairo, Algiers and Tunis. Early last month he had a long meeting with Yasser Arafat at PLO headquarters near Tunis. That visit was criticized by some members of the Italian coalition government and caused resentment in Israel.

Mr. Craxi was accompanied by Foreign Minister Giulio Andreotti. The two men came home apparently convinced that Mr. Arafat had made a firm break with the more extremist members of his movement and might be ready to abandon armed struggle

with the Israelis and agree to formal recognition of the state of Israel as a condition for the start of Israeli-Palestinian negotiations.

An Arab League meeting expected soon in Riyadh would be an occasion to count the Arab states that would back Mr. Arafat if he took the plunge. Mr. Craxi's entourage has insisted that this rare opportunity ought not to be wasted.

Mr. Craxi has had undisputed success in improving Italy's economic conditions and curbing the inflation rate. But he is aware of the limited political and diplomatic resources he commands in any foreign policy initiative.

Still, an unexpected visit by Mr. Andreotti to King Hussein in Amman last weekend has indicated that supporters of the PLO-Jordan formula want to move quickly.

It is no secret that most West European governments are uncomfortable with the situation in the Middle East. But the first formal statement of EC policy on the Arab-Israeli conflict, the so-called declaration of Venice in 1980, was resented in Israel, which regarded it as pro-Arab. At the recent summit in Dublin, Italy's EC partners refused to give the Italians the mandate they sought for another Middle East initiative.

Mr. Craxi has gone ahead on his own, apparently believing that if Mr. Arafat can bring himself to make a concrete gesture toward Israel, several key West European governments would change their stance.

The goal of an EC-supported initiative would be a confederation between Jordan and a Palestinian state on the West Bank. If Mr. Craxi has his way, Washington could find itself with a difficult diplomatic choice to make in the Middle East.

International Herald Tribune.

Musical Chairs: Who Plays the Tune?

By James Reston

WASHINGTON — The one thing you can be fairly sure of about these changes in the White House staff and the cabinet is that they were not played by the president or approved by him until the day before they were announced.

He does not like change, and why should he, having been re-elected by winning in 49 states with the old gang? The explanation is that they imposed their wishes and ambitions on him, and not vice versa.

This is a funny outfit. Everybody calls his own signals. Some, like Attorney General William French Smith, Judge William Clark and Mike Deaver, just take themselves out of the game. Others, like Secretary of Labor Raymond Donovan, who should be fired, are allowed to stick around. Some, like the economic advisers, just drift away, and the president lets them go or stay with a wave and a smile.

There is a good argument for shaking up an administration after four years and switching officials from one job to another or letting them go when they are tired or hungry, but it is hard to figure the logic of the recent changes or decide who, if anybody, is in charge.

Take the swap between Jim Baker as White House chief of staff and Donald Regan as Treasury secretary. This is like telling the piano player or even the director of the orchestra to play the fiddle.

Nobody around here really believes that President Reagan thought Secretary Regan would be a better White House chief of staff than Mr. Baker. Or that he thought Mr. Baker, at least for a while,

would be able to testify in Congress as effectively as Mr. Regan about the administration's mystifying policies on how to get rid of the alarming budget and trade deficits.

But Jim Baker — like Howard Baker of Tennessee, the former Republican leader of the Senate — was bored with the endless task of pulling the president's chestnuts out of the fire, and wanted out. Mr. Reagan did not want them to go. He had to persuade them to stick, accommodate them or lose them. He did not persuade them.

What is particularly interesting is why James Baker insisted on leaving the White House — and he did insist, although he denies it — just when Edwin Meese, Judge Clark, Jeane Kirkpatrick and the other conservative supporters of the president were resigning and leaving the White House to the moderate like Vice President Bush, whose campaign against Mr. Reagan in 1980 was run by James Baker.

It clearly was not that the president wanted or urged Mr. Baker to leave. The guess here is that Mr. Baker was tired of the endless feuds between Secretary of State Shultz and Secretary of Defense Weinberger over foreign and defense policy, and the quarrels between conservatives and moderates in his own party over the budget deficit.

Mr. Baker is not the first and will surely not be the last to opt out of this confusing policy tangle. Dave Stockman, the budget director, will probably be next to go, Mr. Shultz

is trying to weed out those right-wing ambassadors who thought their public support of Senator Jesse Helms was more important than their diplomatic responsibilities.

Most important, the balance of power between the president and Congress is changing. It is not only that the Democrats retain a majority in the House, but that the Senate is now in control of Republican leaders who question not only the president's domestic economic policies but also wonder about his defense and foreign policies.

The resignation of Mr. Reagan's closest friends and advisers in the White House and the cabinet have added to his problems. Even the Republican leaders in Congress are asking why so many are leaving him and why so many others who are staying insist on taking jobs he really does not want them to have.

The more the members of the cabinet, the White House staff and Congress look at recent presidents like Ronald Reagan or Jimmy Carter, the more they begin to think in the night that they could do the job themselves and maybe even better. The two Bakers are not immune to this dream. Howard of Tennessee went back home to run for president in 1988. James, tired of the anonymity of the White House, will now be out front as secretary of the Treasury, testifying on the Hill and appearing on television. He will not have the power he had in the White House, but he will have the publicity. That, unfortunately, seems to be the most important aspect of presidential politics these days.

The New York Times.

The Press: Standards Too High?

By Philip Geyelin

PARIS — While the libel cases brought in New York by General William Westmoreland and Ariel Sharon are heavy with legal implications, they are equally heavy in their potential effect on relations between the public, the press and the makers of American foreign policy.

Such is the contrariness of the conservatives, fallen-away Democrats and others of right-wing persuasion in Ronald Reagan's legions that no matter who wins — the generals, CBS or Time magazine in whichever case — the press will take a beating. Libel denied will be proof positive that the "media" are destructively all-powerful. Libel damages awarded will only go to show that the news business is recklessly irresponsible in its reach for attention-getting sensations that enrich careers and bottom lines.

Public trust will be shaken once again. This will be largely the doing of ideologues in prominent places who would rather reinforce their misperceptions of how things work in the real world than get on with the business of making do with life that is unfair and with a world that is sometimes kindly and often cruel.

As documentary evidence, I offer an excerpt in a recent issue of Public Opinion magazine from a book to be published in the spring by Michael Ledeen, senior fellow at Georgetown University's Center for Strategic and International Studies. The book's title, "Crash Landing," is in tune with Mr. Ledeen's views on public opinion, the press and foreign policy. He worked briefly at the State Department for Alexander Haig. His intellectual connections include Henry Kissinger and Jeane Kirkpatrick. His jaundiced view of a free-wheeling press is widely shared.

He starts with the proposition that "most top officials" begin the morning with compilations of press clippings; this conditions their day's work and has "more influence on politics than even the most secret intelligence." That is cause enough for anxiety, coming from a former insider. But you have to accept it if you are to entertain the rest of his reasons why the performance of the press has a "devastating effect on our foreign policy."

This is so, the argument proceeds, because the press is afflicted by "ignorance of the world," "abstract moralism that permeates our popular culture" and, even worse, ambition. It directs its efforts at grabbing the attention of readers and viewers "not much interested in foreign news except as it affects them directly and dramatically." The result is a relentless search overseas for "an American angle," preferably scandalous.

So far, this is an arguable theory. But when it is applied to coverage of foreign policy, the press becomes no better in Mr. Ledeen's eyes than the "San Francisco Democrats" as seen by Jeane Kirkpatrick: "They always blame America first."

Here is the heart of Mr. Ledeen's grievance and to the relevance of the libel suits. The press is "super critical of our leaders, while foreign countries, including our worst enemies, often get surprisingly gentle treatment," he laments. "On the rare occasion that investigative journalism strikes on other countries, the targets are typically friends and allies." Israel is cited as an example.

The stunning coincidence of these cases coming together in the same courthouse on Foley Square becomes powerful support for the argument that "the elite media have developed a double standard for reporting the news," as Mr. Ledeen puts it.

He acknowledges that there are "operational problems" for the American press in closed, totalitarian societies, but he does not allow these problems to get in the way of his conclusions: "The United States and its allies are held up against standards that are not applied to the Soviet Union and its satellites and proxies. Relatively minor human rights transgressions in friendly countries are given far more attention and subjected to more intense criticism than are far graver examples of countries hostile to us."

Strictly speaking, Mr. Ledeen is right. Underlying the legal question in the Westmoreland trial is the proposition that American leaders are and ought to be held to a stricter standard of truthfulness and responsiveness to the public than, say, Soviet leaders will be. Because Americans prize liberty, democracy and free speech, they are held to a higher standard and economic aid, should they be entitled to hold Israel to a higher accountability for what it does with those arms than would be applied, say, to Syria or Libya, with whom America has no such relationship.

Holding self and allies to different, higher standards, in short, is part of what these libel suits, whatever their outcome, are all about. As a general principle, I don't understand what Mr. Ledeen thinks is wrong with that.

Washington Post Writers Group.

LETTERS TO THE EDITOR

Eight Centuries Later

In response to "Terrorism: International Lynch Law Isn't the Answer" (Dec. 18) by George Ball.

Mr. Ball mentions the 12th century Assassins. It is interesting to recall that the Assassins, whose name came from the Arabic for "hashish user," were fanatics who received, along with the promise of martyrdom, a supply of hashish before they attacked their victims. The erratic actions and the victims' descriptions of the terrorists on the hijacked Kuwaiti airliner in Tehran last month suggest that the hijackers may have been high on hashish or some other drug.

ALEXANDER S. REINHARDT, Liston.

Giving the Gold Away?

Regarding "Gold Upturn Not Foreseen in Near Term" (Jan. 1).

What is the meaning of the statement that "the price of gold has dropped more than 150 percent in less than five years"? If it had dropped by 100 percent, it would be zero. Are we then to understand that gold is now fetching a negative price? There are precedents in the press for this imprecision and rather absurd formulation, e.g., "a devaluation of 400 percent." However, I have come to expect numerals from the International Herald Tribune.

BASIL GONDICAS, Boulogne-Billancourt, France.

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THURSDAY, JANUARY 10, 1985

WALL STREET WATCH

An 'Ominous' Precedent For Reagan's New Term

By EDWARD ROHRBACH
International Herald Tribune

CALVIN Coolidge was president and the "business of America was business" the last time share prices rose on Wall Street during the first year of a Republican's new presidential term. That was 60 years ago.

"It's ominous," said Robert H. Stovall, Dean Witter's director of portfolio strategy. "All Republican presidents since 1925 have presided over declining markets in the years of their inaugurations."

While no one ever accused Ronald Reagan of being reticent, Wall Street seems to be detecting a growing resemblance between him and Coolidge, who was known as "Silent Cal." Ralph Block, technical analyst at Moseley Hallgarten, notes that the percent

The talk is of a peak in March, then black holes and vicious cycles.

age of market advisory services that are bullish toward stocks is the highest since August 1978 — and is within shooting distance of the "October Massacre" of that year. "I am not suggesting another massacre," he said, "merely pointing out that history strongly suggests that it is very difficult to envision a major leg north with more than 60 percent of the advisers looking for it."

Amid the widespread optimism, it is not easy to find the bearish view. There is Richard J. Hoffman, who runs an investment firm in New Jersey. But even he sees stocks up sharply in the short run.

The bullish case is growing because value is there — but the real question is sustainability," he said. Mr. Hoffman said there seemed to be a growing trend toward "a vision of nirvana" amid "belief in continued low inflation and an extended business cycle." He added, however, that "in our analysis the extended cycle scenario will not come true. Instead, the economy will enter a recession in early 1986 following a vicious spiral of rising inflation, rising rates and a falling dollar. As a consequence, the euphoria will evaporate as rates begin to rise in the spring."

THE ride up, however, which Mr. Hoffman sees happening in spurts, will elevate the Dow average to new highs, peaking in March between 1,350 and 1,400.

He interprets as positive the news that Donald T. Regan and James A. Baker 3d will switch jobs at the Treasury Department and the White House. He said that Wall Street's "main hangup" this winter has been its doubts on whether U.S. government plans for dealing with the tax issue and the federal deficit were believable.

The biggest current fear in the conventional wisdom on the market, he said, is the assumption that not enough funds are available to fuel a significant advance. "But when the time comes for the market to go up, the cash will come from other sources," he asserted.

But Mr. Hoffman also warns that after peaking this spring, the stock market is likely to fall precipitously. "There is a serious risk of black holes of illiquidity forming during the rush for the exit."

So his investment strategy is to avoid the risk of playing volatile stocks that promise to jump the highest in the "sucker rally" he foresees. By March he advises a portfolio 37 percent in cash and the remainder "in a very defensive posture," comprising utilities such as telephone issues.

J. Anthony Boeckh, editor of the Bank Credit Analyst, which is published in Montreal, also takes a cautious attitude toward Wall Street. He believes that "technical factors suggest vulnerability in the short term."

Fundamental factors, however, are beginning to improve, he said, adding that "a more positive attitude could be justified in (Continued on Page 13, Col. 7)

Test Seen Nearing For OPEC

Study Predicts Financial Ills

Reuters

NEW YORK — OPEC's campaign to maintain its price structure is approaching a major test in the financial markets, according to analysts at Salomon Brothers Inc.

"The weak links in the chain are already close to breaking," says a research report on the bond market. The study, released Wednesday, was prepared by Graham Bishop, who is based in London, and Paul Motok, who is headquartered in New York.

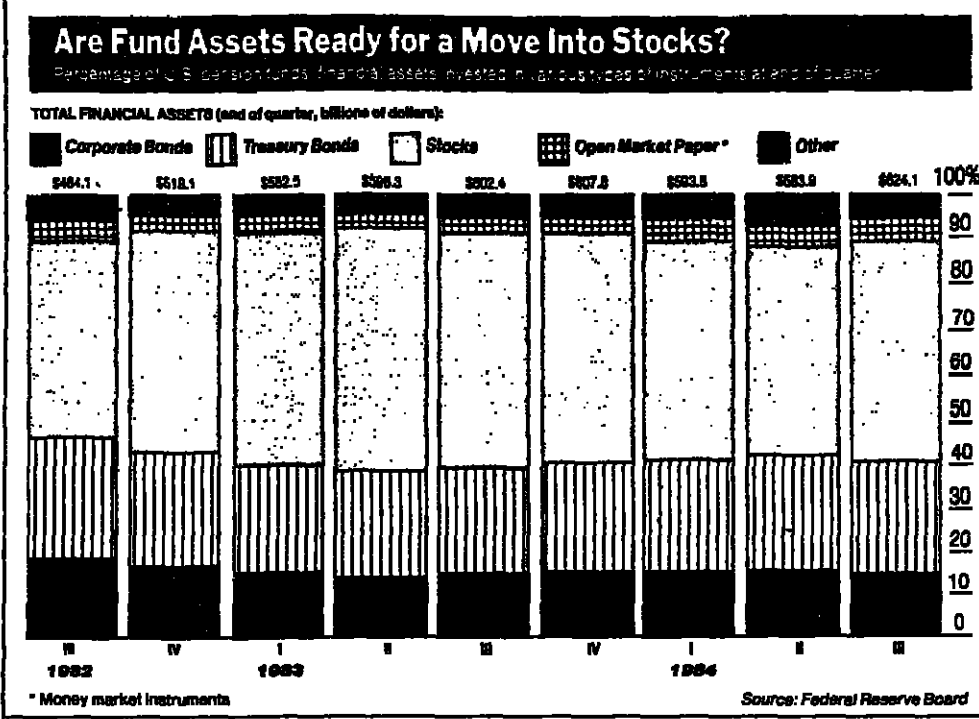
They said the test will be a financial one "because OPEC's needs are measured in dollars of export revenue, rather than barrels per day required to balance the physical oil market."

Separately, APS, the official Algerian news agency, said Wednesday that 13 ministers of the Organization of Petroleum Exporting Countries are to hold an extraordinary meeting in Geneva on Jan. 28. The agency said ministers are to discuss controls on oil output and prices and price differentials on various kinds of petroleum.

The Salomon analysts said the richer OPEC countries — Kuwait, Libya, Oman, Saudi Arabia and the United Arab Emirates — have absorbed all the reduction in export revenues since 1982 but the poorer nations have accounted for the bulk of the deficits.

Because these poorer nations are unlikely to be able to finance their projected deficits, their options are limited to cutting imports, cheating on oil prices and quotas, ceasing to service their debt or receiving large financial grants from rich OPEC countries, the Salomon analysts said.

They said there will be a progressively greater risk of a decline in oil prices as financial pressures on the weaker OPEC members intensify. But "a major price cut is unlikely to stimulate additional consumption for two years or more," while the need to cut imports, or borrow more, will be immediate "for these poorer nations, the authors said.



Bonds Slipping From Favor in U.S.

By Fred R. Bleday
New York Times Service

NEW YORK — Investors in the U.S. stock market have plenty of worries, ranging from the size of the federal deficit to the longevity of the American economic advance. But more money managers these days are creeping back into stocks for one simple reason: Bonds have become less competitive.

"The easy money has been made in the bond market," said Martin D. Sass, president of M.D. Sass Investors Services Inc. He was referring to the big decline in interest rates in the last seven months of 1984, which resulted in a run-up in bond prices.

Indeed, bonds clearly were the place to be during that period. While the average stock in the Standard & Poor's 500 returned 14.3 percent, with dividends included, long-term Treasury bonds scored nearly twice as well, racking up a return, including interest income and price change, of 27.3 percent. For the entire year, bonds also held the edge, 13.2 percent to 6.2 percent. But, Mr. Sass said, "Now is not the time to bet the ranch on bonds." He is shifting \$100 million into equities, as he whittles down his company's cash account and reduces the bond portion of its \$1.5-billion portfolio to 40 percent, from 50 percent.

Until a few weeks ago, Charles H. Brunie, chairman of the Oppenheimer Capital Corp., also believed that bonds were more attractive. But now he expects that stocks will perform about as well as fixed-income securities this year.

His company, which has about \$5.5 billion in pension assets under management, is buying \$100 million in bonds and putting an extra \$250 million to work in the stock market, especially in consumer-oriented issues, such as Best Products Co.

"Bonds have had a nice move," he said. "It's time for stocks to get going." Few people, however, expect stocks to take off soon.

In fact, indecision appeared to grip both the stock and the bond markets last week as prices bounced erratically. And many investment professionals are not saying the decline in interest rates is finished.

But compared to stocks, "the outperformance of bonds is over," said John A. Mendelson, group head of market analysis for Dean Witter Reynolds Inc. "There's something left in bonds, but there's more potential in stocks," he stated.

Many professional investors, including H. Kent Atkins, chief investment officer of Bankers Trust Co., are now taking their cue from projections of expected performance from the three key investment choices — stocks, bonds and short-term cash investments.

Mr. Atkins, for instance, who oversees the investment of about \$12 billion in assets of pension funds and other institutions, said his bank expects stocks to return 16.5 percent this year, bonds 13 percent and short-term cash securities 9 percent.

Usually, say the experts, the odds favor stocks when they are expected to produce an annual gain of better than 2.5 percentage points more than high-quality bonds. If the expected gains for both stocks and bonds were about even, the odds would favor bonds because they are considered less risky.

For those investors with discretion over where they put their money, the asset-allocation models they use to guide them in choosing the proper mixture of stock, bond and cash investments strongly favored bonds over stocks around mid-1984.

Suresh Bhirdi, chief portfolio strategist for First Boston Corp., noted that at the end of last May, bonds were weighted heavily in the mixture because the then-current yield of long-term Treasury bonds alone was 13.9 percent annually, while his expected total return (Continued on Page 9, Col. 1)

U.S. Jobless Rate Edged Higher In December

The Associated Press

WASHINGTON — Unemployment edged up to 7.2 percent of the civilian work force in December as a surge in Americans looking for work surpassed the creation of about 340,000 new jobs during the month, the government reported Wednesday.

The number of Americans actually holding jobs in December rose to a record 106.3 million, but the total of unemployed increased to 8.2 million as the labor force expanded by 390,000, the Labor Department reported.

The department also revised the jobless figures for the two preceding months, which had originally shown the unemployment rate declining to 7.2 percent in November from October's 7.4 percent. Wednesday's report revised those figures to 7.3 percent for October and 7.1 percent for November.

Meanwhile, the number of "discouraged workers," those without jobs but not counted as unemployed because they have given up looking, increased to 1.3 million from the September level of 1.2 million, the department said.

A year-end slowdown in U.S. economic growth had led many economists to expect that the jobless rate would either rise a bit or remain flat in December. But widespread predictions of at least somewhat faster growth early in this new year suggested that the unemployment increase will be short-lived.

The unemployment rate, which reached 10.7 percent near the end of the 1981-82 recession, dropped to a revised 7.2 percent last June but bounced back to 7.5 percent before beginning to decline again.

An alternate overall unemployment rate, which combines the 114.5 million-member civilian labor force with the roughly 1.7 million members of the armed forces stationed in the United States, rose to 7.1 percent from 7 percent.

The biggest gains in employment were a hike of 95,000 in businesses providing services and an increase of 85,000 among manufacturers.

Among specific groups, the Labor Department reported that the unemployment rate for adult males

rose to 6.3 percent last month from 6.2 percent in November, while the rate for adult women slipped to 6.4 percent from 6.5 percent.

For whites of both sexes, the department said, the rate rose to 6.2 percent from 6.1 percent; for blacks, it fell to 15 percent from 15.1 percent, and for hispanics, the rate rose to 10.2 percent from 10.1 percent.

Among black teenagers, the group with the highest unemployment, the jobless rate was 42.1 percent, up from 41.2 percent in November.

Before Wednesday's announcement, analysts said that slower-than-anticipated retail sales conceivably could contribute to pushing up the unemployment rate a tenth of a percentage point or so.

The nation's largest retailers all reported increases in December Christmas sales from a year ago, but the levels were disappointing because they were less than many retailers had hoped, financial analysts said.

New claims for unemployment compensation benefits, one indicator of the health of the U.S. labor market, rose by 5,000 to 405,000 in the week ended Dec. 22, the Labor Department reported last week.

Janet L. Norwood, the commissioner of labor statistics, said in testimony prepared for a Wednesday hearing of the congressional Joint Economic Committee that, after seasonal adjustment, the retail segment of the job market posted no gains last month. She noted, however, hefty increases in retail employment in October and November.

She added that five industries had December employment levels actually lower than at the official end of the recession in November 1982 — mining, steel, tobacco, petroleum and coal, and leather.

She also said two-thirds of the increase in job creation in the last two years was in services, and that "in the goods-producing sector, very few industries had added more than the number of jobs lost during the recession."

Currency Rates

Late interbank rates on Jan. 9/9, excluding fees.
Official fixings for Amsterdam, Brussels, Frankfurt, Milan, Paris, New York rates at 2 P.M.

	\$	£	D.M.	F.F.	L.L.	Gld.	S.F.	Yen
Amsterdam	3.25	4.85	112.95	36.85	0.1839	—	5.63	134.95
Brussels	4.40	72.35	202.65	6.26	3.261	17.725	—	23.95
Frankfurt	3.1672	3.613	—	—	—	—	—	119.55
London	1.465	—	—	—	—	—	—	—
Paris	1.46475	2.2190	61.34	26.61	—	—	—	—
New York	—	1.143	3.125	9.66	1.9990	3.36	6.318	2.64
Porto	6.875	11.365	—	—	—	—	—	—
Tokyo	250.00	290.7	—	—	—	—	—	—
Zurich	2.665	3.032	83.5	27.25	0.1334	74.96	—	1.072
1 ECU	0.7029	0.6166	2.222	6.2515	1.26745	2.6154	44.582	1.828
1 SDR	0.75022	0.65514	2.3991	6.6482	1.42	3.4998	61.579	2.555

Dollar Values

\$	Yen	£	DM	FF	ECU	Per	U.S.	Yen
100	160.36	1.465	3.125	9.66	1.9990	3.36	6.318	2.64
100	160.36	1.465	3.125	9.66	1.9990	3.36	6.318	2.64
100	160.36	1.465	3.125	9.66	1.9990	3.36	6.318	2.64
100	160.36	1.465	3.125	9.66	1.9990	3.36	6.318	2.64
100	160.36	1.465	3.125	9.66	1.9990	3.36	6.318	2.64
100	160.36	1.465	3.125	9.66	1.9990	3.36	6.318	2.64
100	160.36	1.465	3.125	9.66	1.9990	3.36	6.318	2.64
100	160.36	1.465	3.125	9.66	1.9990	3.36	6.318	2.64
100	160.36	1.465	3.125	9.66	1.9990	3.36	6.318	2.64
100	160.36	1.465	3.125	9.66	1.9990	3.36	6.318	2.64

Interest Rates

Eurocurrency Deposits

1M.	3M.	6M.	9M.	12M.	15M.	18M.	21M.	24M.	30M.	36M.	42M.	48M.	54M.	60M.	66M.	72M.	78M.	84M.	90M.	96M.	102M.	108M.	114M.	120M.	126M.	132M.	138M.	144M.	150M.
1M.	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4

Rates applicable to interbank deposits of \$1 million minimum (or equivalent).
Sources: Morgan Guaranty (Dallas, DM, SF, Puerto, FF); Lloyds Bank (ECU); Citibank (SDR).

Asian Dollar Rates

1 mo.	3 mos.	6 mos.	1 year
1 mo.	3 mos.	6 mos.	1 year

Source: Reuters.

Key Money Rates

United States	Close	Prev.	Britain	Close	Prev.
Discount Rate	8 1/4	7 1/2	Bank Rate	9 1/4	9 1/4
Federal Funds	10 1/4	10 1/4	7-day Treasury Bill	9 7/16	9 7/16
Prime Rate	10 1/4	10 1/4	3-month Interbank	10 1/16	10 1/16
Breaker Loan Rate	9 1/4	9 1/4	Japan	—	—
Comm. Paper, 28-179 days	7 3/4	7 3/4	Discount Rate	5	5
3-month Treasury Bills	7 3/4	7 3/4	Call Money	6 1/16	6 1/16
6-month Treasury Bills	7 3/4	7 3/4	60-day Interbank	6 1/16	6 1/16
CDs 28-90 days	7 3/4	7 3/4	—	—	—
CDs 40-49 days	7 3/4	7 3/4	—	—	—

Gold Prices

Overnight Rate	5.50	5.50			
1-month Interbank	5.50	5.50			
3-month Interbank	5.50	5.50			
6-month Interbank	5.50	5.50			
12-month Interbank	5.50	5.50			

	A.M.	P.M.	Ch'ce
Hong Kong	294.55	297.35	— 5.30
London	294.65	—	— 5.10

All prices in U.S. dollars per ounce.
Source: Reuters.

Pirated Recordings Big Business in Portugal

By Ken Portinger
International Herald Tribune

LISBON — Rogério P., a Lisbon gypsy, has profitably hawked pirated music cassettes on the Praça de Espanha for the past four years and says that his trade, out of a suitcase, makes him a good living.

His wares, priced today at 180 escudos (about \$1.05) each, cost only a third of the genuine article. His pitch is lucratively repeated by hundreds of other hawkers on street corners and at fairs around the country.

The peddlers are supplied by a backstreet growth industry that is moving its products into the U.S. and European markets, causing big headaches for international recording companies.

The cassette pirates, thought to produce more than 7 million illegal articles a year, have become a major target for the legitimate industry, which in a recent report cast Portugal as the major European center for pirated recordings.

Patrick W. Hurley, European vice president for operations for CBS Records, a subsidiary of New York-based CBS Inc. and a giant in the record and tape business, said

that his company was among the hardest hit.

"For the past decade, Portugal has figured as the top producer of pirated cassettes and as a major illegal exporter of pop records, at a financial loss to the European industry last year alone of as much as \$20 million," he said in a recent interview in Lisbon.

Mr. Hurley said that the illegality lies in contraventions of contract restrictions between the licensee and the licensor that limit production and sales of a particular recording to the Portuguese market.

Local recording industry chiefs have been battling the pirates and peddlers for several years. However, they complain that legal sanctions against the pirates and peddlers are denisory.

Carlos Pinto, head of the Portuguese branch of the London-based International Federation of the Phonographic Industry, said that fines for peddlers were laughable because suppliers guaranteed them free replacement of any cassettes confiscated in police raids.

Luis Francisco Rebelo, president of the Portuguese Society of Authors — the national copyright organization — said that recording artists in Portugal were losing millions of escudos a year through the activities of pirates.

"An artist receives approximately 8 percent of the sale price of each record or cassette. If we consider that 80 percent of the Portuguese cassette market is pirated, we get an idea of how much money is at stake," he said.

The society has triggered a number of successful police raids against illegal cassette sellers, and it said that a new, stronger law protecting the property of artists and intellectuals is due to be passed by the Portuguese parliament early this year.

However, industry sources believe that until heavy prison sentences are imposed on the pirate chiefs, whose activities are said to be well documented by private investigators, the business will continue to flourish.

The maximum sentence upon conviction for music piracy is now a year in jail.

The Portuguese branch of the phonographic trade group recently stepped up pressure on the government to put an end to pirate activities. And a senior Portuguese treasury official assured Mr. Hurley of CBS that the government was doing its best to implement anti-piracy laws.

"So they should," said Mr. Hurley, who estimated that the Portuguese tax authorities lost the equivalent of \$1.6 million last year in (Continued on Page 13, Col. 5)

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AMEX Most Actives				
	Vol.	High	Low	Close
AMEX	4302	23 1/2	23 1/4	23 1/4
Disfint	2439	18 1/4	9 1/4	+ 1/4
Wentp	2677	6 1/2	6 1/4	+ 1/4
Wentp	2772	6 1/2	1 1/4	+ 1/4
Int'l	2818	3 1/4	3 1/4	+ 1/4
Wentp	1893	3 1/4	3 1/4	+ 1/4
Wentp	1893	13 1/4	10 1/4	+ 1/4
Wentp	1512	14 1/4	13 1/4	+ 1/4
Wentp	1512	14 1/4	13 1/4	+ 1/4
Wentp	1226	12 1/4	11 1/4	+ 1/4
Wentp	1226	12 1/4	11 1/4	+ 1/4
Wentp	1154	14 1/4	14 1/4	+ 1/4

AMEX Stock Index			
High	Previous	Close	Today's P.M.
202.32	201.49	202.04	202.76

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Mr. Hinkle said institutional activity was relatively light, with some interest in the stock

Gary Cimmino, chief economist at Fleet National Bank, Providence, Rhode Island, said the stock market is facing an environment of reduced earnings growth but lower interest rates.

He said the earnings prospects have been overly discounted by the market, while lower interest rates could lead to expanding price-earnings multiples which would trigger a "pretty good move in the stock market."

Although economic growth in 1985 will be only half as fast as in 1984, "I don't see a recession," Mr. Cimmino said.

He said the Federal Reserve has rapidly backtracked from a tight money policy which slowed the economy in the third quarter. The new Fed posture combined with the stimulative effect of the budget deficit "should keep the economy cruising along of its own accord."

On the trading floor, American Medical International was near the top of the active list and up a fraction. A block of 750,000 shares crossed at 19 and a block of 500,000 shares crossed at 18 1/4.

A&T was up a fraction at midday on heavy volume.

[illegible][illegible]

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BUSINESS ROUNDUP

P&O, Sterling Plan
A £1-Billion Merger

By Bob Hagerty

International Herald Tribune
LONDON — Peninsular & Oriental Steam Navigation Co. is preparing to merge with Sterling Guarantees Trust PLC in an exchange of shares valued at nearly £1 billion (about \$1.14 billion).

The shipping and construction concern said Wednesday that it was discussing terms with Sterling, a real estate and industrial services company that already owns 20 percent of P&O.

The terms for the long-expected combination were expected to be announced Monday.

Sir Jeffrey Sterling is chairman of both P&O and Sterling, and the combination would spare him and his top aide, Bruce MacPhail, from having to divide their time between the two.

"You will have a strong company in management terms," said David Harris, an analyst at W. Greenwell & Co.

Mr. Harris predicted that the new concern would search out acquisitions.

Analysts said the merger is likely to take the form of a share swap on the basis of one P&O share for every four to five Sterling shares.

On Wednesday, P&O shares were suspended from trading at 325 pence apiece, and Sterling at 74 pence.

Sir Jeffrey, 50, was recruited in 1983 to strengthen P&O's management in the face of a hostile takeover bid from Trafalgar House PLC.

After a government inquiry delayed the battle, Trafalgar backed away last year.

Analysts say Sir Jeffrey has put new life into P&O, a 150-year-old company.

"I intend to lead P&O from the front," he said in an early message to employees.

In his first 18 months, he has sold P&O's headquarters and two oil-trading units.

Last week, P&O agreed to sell its unprofitable ferry services between Britain and France for £12.5 million.

Sir Jeffrey also is credited with having revived Town & City Properties, a forerunner of Sterling.

Union Carbide
Assails Lowering
Of Its Debt Rating

New York Times Service

NEW YORK — Union Carbide Corp. has complained that the lowering of its debt rating by Standard & Poor's Corp. was excessive and unwarranted.

S&P said Tuesday that Union Carbide debt was being revised to the lowest investment grade because of the gas leak Dec. 3 at the company's plant in Bhopal, India.

Union Carbide's senior long-term debt was lowered to BBB plus from A, its subordinated long-term debt to BBB from A minus, and its commercial paper to A-2 from A-1.

"We don't believe the action was warranted by the facts or legal analysis of the Indian situation," said J. Clayton Stephenson, executive vice president and chief financial officer of Union Carbide.

S&P said the change was necessary not so much because of the company's potential liability for the gas leak, which killed more than 2,000 people, but because of the accident's potential "negative spillover" onto suppliers and customers, because management attention would be diverted into defending against lawsuits, and because of the company's "constrained access to capital markets."

Mr. Stephenson denied all of those assertions. He said that only a few Union Carbide managers were handling the Bhopal situation, and that the company had only minimal refinancing needs.

As of the end of the third quarter of 1983, Union Carbide had \$2.28 billion in long-term debt.

Mr. Stephenson said the company's quality control six months ago.

Ishtikawajima-Harima Heavy Industries Co. of Japan said it has been licensed by Union Carbide Corp. to use its unipol process for making polypropylene and polyethylene. IHI said the agreement will allow it to bid on the design and construction of plants worldwide using the process.

MCI Communications Corp. said it and Continental Telecom Inc. have agreed to a settlement in MCI's antitrust suit against ConTel. Terms were not disclosed.

Michelin Tire Co. announced that it is cutting more than 2,500 jobs in Britain as part of a large-scale streamlining operation. Michelin has reported it is losing \$1.5 million (£1.3 million) a week on its British operations.

Pakistan International Airlines said it plans to sell its 10 Boeing Co. aircraft—seven 707s and three 727s—within the next two years.

Phillips Petroleum Co. said its unionized workers in Texas and Utah have agreed to defer pay increases while the company re-groups after fending off a takeover bid by Mesa Petroleum Co. Phillips notified non-union employees last week that there would be no pay increases in 1985.

TideWater Inc. said its board has rejected an inadequate offer by Irwin L. Jacobs to acquire the company in an offer valued at \$25-to-\$28 a share.

Compression Labs, based in San Jose, California, said it has signed a three-year agreement giving Sony Corp. rights to market its video-conferencing systems in 24 Asian countries.

Hessische Landesbank-Großbank, Frankfurt-based bank-holding company, said it expects to maintain its 1984 dividend at 1983's level. In 1983, the bank paid out 5 percent of its capital base, or 25.25 million Deutsche marks (\$8.04 million).

Harbes Alcantara Co. said it delivered three missiles to the Air Force in late December, the first such deliveries since the military services found "serious weaknesses" in the

average. The Dow closed Tuesday at 1,191.70.

Nonetheless, many stock investors are bullish.

Mr. Atkins of Bankers Trust, for example, favors stocks because he expects the U.S. economy to stay on track throughout this year and well into 1986.

He said he sees inflation remaining moderate and the U.S. gross national product, after adjustment for inflation, advancing more than 4 percent. GNP measures the total value of a nation's goods and services, including income from foreign investments.

To position the bank's \$4.5-billion equity portfolio for the coming year, large purchases of stock in Royal Dutch Petroleum Co., Hewlett-Packard Co., Eastman Kodak Co., General Electric Corp. and American International Group were begun over the past several weeks, Mr. Atkins said.

And some, including Leon G. Cooperman, chief of investment policy for Goldman, Sachs & Co., said the odds are even lower. That, he added, is ominous for stocks, and serves as a counterbalance to the good news that the Federal Reserve is easing its grip on the money supply.

Another bad sign for stocks, he said, is that the cash level of institutional portfolios is extremely low, indicating too much bullishness and too little reserve buying power.

Mr. Cooperman added that he does not expect much fireworks this year on the New York Stock Exchange, with most trading taking place within a range of 1,100 to 1,300 on the Dow Jones industrial

South Korea's
Samsung to Sell
A 256K Chip

Reuters

SEOUL — Samsung Semiconductor & Telecommunications Co. said Wednesday that it has developed a 256K dynamic random-access-memory chip, which it plans to begin marketing worldwide in April.

The company said that a new plant, scheduled for completion in March 1985, would be capable of producing 60 million of the new chips a year.

A company spokesman noted that South Korea would become the third country in the world, after the United States and Japan, to produce the 256K chips.

Samsung now markets 64K dynamic RAM chips and plans to export about 300-million worth of semiconductors this year against \$80-million worth last year, the spokesman said.

He said worldwide demand for 256K chips is estimated at \$3-billion worth in 1985 against \$1 billion in 1984.

Aside from commercial property in Britain and the Boston area, Sterling has interests in catering, exhibition centers, warehousing and guard services.

Shamrock Chief Explains Decision

The Associated Press

DALLAS — Diamond Shamrock Corp.'s chairman, William H. Bricker, has said his company's board rejected a merger with Occidental Petroleum Corp. because of unhappiness over the fate of Shamrock managers in the new company and the margin of profit for Shamrock shareholders.

In an interview Tuesday with the Dallas Times Herald, Mr. Bricker said the proposed merger initially seemed to offer great benefits to Diamond Shamrock shareholders.

He said the merger also had the blessing of top executives of both companies. But Mr. Bricker said that he changed his mind about the proposal during discussions Monday with his board.

The merger, which would have created the seventh-largest U.S. oil company, fell apart Monday afternoon, just hours after the heads of both companies announced a tentative agreement.

Mr. Bricker said the \$3-billion stock-swap plan was conceived Jan. 2 when he was talking to Armand Hammer, Occidental's chairman, about another matter.

The proposed merger had called for the shareholders of the two companies to exchange their stock for stock in a new company on a one-for-one basis.

That could have given Diamond Shamrock shareholders a substantial premium, since Occidental's stock was trading at about \$25 per share when the tentative agreement was reached, while Diamond Shamrock's was close to \$17.

But word of the negotiations quickly spread on Wall Street.

The rumors put the participants under "tremendous and unnecessary pressure" to go public while the merger discussions were still in the early stages, he said.

After both companies announced Friday that they were discussing a merger, Diamond Shamrock's stock rose sharply in trading on the New York Stock Exchange while Occidental's fell.

By the time the board met Monday, trading in the stock of the two had cut to only \$2 or \$3 the premium of \$6 or \$7. Mr. Bricker first thought Diamond Shamrock shareholders would get, he said.

Mr. Bricker said the Diamond Shamrock board was also concerned about the small role its managers would play in the new company.

In recent years, Mr. Hammer, 86, has ousted half a dozen Occidental officers with whom he disagreed. He was considered unlikely to ease his grip on the company.

The proposed merger was appealing to Occidental, Mr. Bricker said, because the company would receive "top-flight Diamond Shamrock management, financial flexibility and high-quality coal and petroleum assets."

Mr. Bricker said there were never plans for him to take a role in the new company. He said he had agreed to leave for \$5 million.

In Los Angeles, Occidental denied rumors it was trying to salvage the merger. "This matter is dead," a company spokesman said.

In trading Tuesday, Diamond Shamrock fell by \$1.87½ a share to \$18.12½. It was the Big Board's most active issue for the second straight day, with 3.7 million shares changing hands.

Occidental's stock rose by \$1 per share to \$25.

FCA Fails to Meet Net-Worth Level

The Associated Press

LOS ANGELES — Financial Corp. of America and its chief subsidiary, American Savings & Loan Association, fell below federal net-worth requirements at the end of 1984, the company has disclosed.

But the Federal Home Loan Bank Board had agreed to take no supervisory action, FCA said Tuesday.

FCA and American Savings are required to have capital equal to 4 percent of assets, but fell below that net-worth requirement in June amid one of the worst deposit runs in U.S. banking history.

Most savings and loans are only required to maintain a 3-percent ratio, FCA, because of its financial position, is required to maintain the 4-percent ratio.

The company said Tuesday that its year-end 1984 financial results will not be released until mid-February, pending completion of an independent reassessment of its real estate portfolio and the adequacy of its loan-loss reserves.

At the end of the third quarter, however, FCA had capital of about 3.07 percent of its assets, compared to 2.92 percent in June.

FCA said it hopes to meet the 4-percent requirement by the end of 1985.

In addition, the company said that the bank board had "responded favorably" to its recovery plan for 1985, which calls for reducing assets by more than 18 percent, to \$24.5 billion, by year-end.

FCA's assets are currently about \$30 billion, compared to a peak of \$32.42 billion in the third quarter.

However, FCA's chairman, William J. Popejoy, noted, "We realize that we have set ambitious objectives which only can be met if a reasonably favorable interest rate climate prevails in 1985."

An FCA spokesman, Paul Nussbaum, said a rise in interest rates could deflate the recovery plans. Falling rates allow FCA to sell its high-yielding fixed-rate mortgage loans at a profit in the secondary market.

As part of its recovery plan, FCA said it would also attempt to halt the growth in American Savings' portfolio of troubled loans—those

on which payments are overdue—and to maintain the stability of its deposit flow.

The company said it would also strive to keep general and administrative expenses about \$35 million below the 1984 level through cutbacks announced last October.

Those cuts included laying off one-fifth of the firm's 7,500 workers and reducing wages by up to 20 percent.

FCA has previously said it expects to show a loss in the fourth quarter.

Dutch Unemployment Falls
THE HAGUE — Dutch seasonally adjusted unemployment in December fell to 776,900 from 794,700 in November and was down sharply from 839,200 in December 1983, according to provisional figures released Wednesday by the Social Affairs Ministry.

Japan's Cabinet Told to Draft
New Measures to Open Market

By John Burgess

Washington Post Service

TOKYO — Prime Minister Yasuhiro Nakasone has ordered his cabinet to draft new measures to further open the Japanese market to foreign products, officials said here.

Mr. Nakasone told his cabinet Tuesday that priority should go to sales from abroad of telecommunications equipment, electronics, forestry products, pharmaceuticals and medical equipment.

He ordered the ministers to report back to him by the end of March, officials said.

The prime minister had promised President Ronald Reagan in talks last week in Los Angeles that he would foster imports as a means of reducing the ballooning U.S. trade deficit with Japan.

The sectors Mr. Nakasone selected for special attention are ones in which U.S. companies are competitive in other foreign countries but in which they say their sales are

hindered by formal and informal barriers in Japan.

Mr. Nakasone proposed no specific measures at Tuesday's cabinet meeting, according to official accounts.

It was unclear whether the package would contain new steps or concentrate on reaffirming Japan's resolve to proceed with previously announced measures.

Although Japanese officials concede that barriers exist, they place the major blame for the U.S. trade deficit on what they say is the low quality and high price of U.S. products, the strong dollar and lackluster marketing by American firms.

Under Mr. Nakasone's plan, each ministry is to set up a special internal committee under its top career official.

Mr. Nakasone also told his ministers to meet with foreigners who have been appointed as advisers to a special cabinet committee on trade relations that was set up late last year.

Herald Tribune

PERSONAL INVESTING

On Monday, January 14
in the International Herald Tribune:

The Tokyo stock market can bewilder even the most seasoned individual investor.

Personal Investing takes a close look at how the market works and the ways the pros target the promising issues.

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Bonds Slipping From Favor in U.S.

(Continued from Page 7)

over the coming year for the average stock in the S&P's 500 was 10.5 percent.

That much of a negative spread had never shown up in the 20 years since such tabulations have been kept, he said.

Either stocks were grossly overvalued or bonds were vastly undervalued," said Mr. Bhurud. What happened, he said, was that "the markets corrected the imbalance and interest rates fell dramatically."

Long-term Treasury bonds Tuesday were yielding 11.47 percent, about 2 percentage points below their high last year.

Mr. Bhurud said both stocks and bonds are now about equally valued. He said that he would not add to short-term cash investments now because the returns are low, but would put that money to work in both stocks and bonds if those markets head lower.

Some investors figure the times are too treacherous to commit themselves one way or the other.

"We're dug into a foxhole for the time being," said Peter J. Anderson, president of IDS Advisory Group, a large pension-fund money manager based in Minneapolis.

His stock portfolio is loaded with conservative issues such as utilities, financial stocks and consumer-goods companies in the food, tobacco and drug industries.

Another bad sign for stocks, he said, is that the cash level of institutional portfolios is extremely low, indicating too much bullishness and too little reserve buying power.

Mr. Cooperman added that he does not expect much fireworks this year on the New York Stock Exchange, with most trading taking place within a range of 1,100 to 1,300 on the Dow Jones industrial

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"Morgan is a corporate finance-driven merchant bank, (which) may explain some of its inventiveness," *Euromoney* wrote in its commentary on the poll results. "It tends to see the securities business from a company's point of view; its corporate finance officers estimate how the bank's forex, swap and Eurobond capabilities can minimize costs and meet the particular needs of the client company."

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The <i>Euromoney</i> Poll	
"Which bank is the most innovative in terms of new instruments and pricing?"*	
Eurobonds	
Rank	Votes
1 Morgan Guaranty	96
2 Credit Suisse First Boston	71
3 Salomon Brothers	62
4 Merrill Lynch	47
5 Morgan Stanley	24
6 Orion Royal	8
Swiss Bank Corporation	8
8 Manufacturers Hanover	6
9 Citibank	5
Morgan Grenfell	5
Samuel Montagu	5
Smith Barney, Harris Upham	5
Syndicated Loans	
1 Morgan Guaranty	48
2 Citibank	45
3 Chase Manhattan	27
4 Samuel Montagu	15
5 Credit Suisse First Boston	11
6 Bankers Trust	9
7 Merrill Lynch	6
8 Bank of America	5
Manufacturers Hanover	5
10 Chemical Bank	4
Lloyds Bank International	4

*Asked of managers in the international bond and syndicated loan markets.
Source: *Euromoney*, October 1984.

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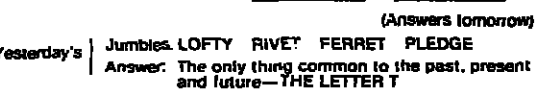
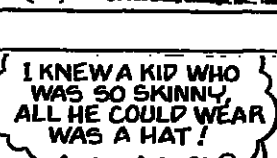
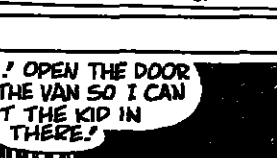
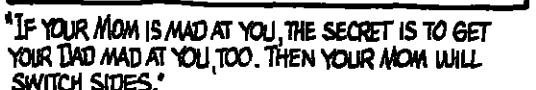
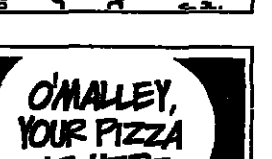
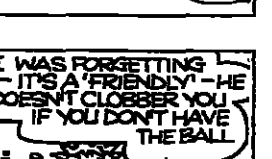
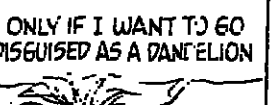
The Morgan Bank

**Tables include the nationwide prices
up to the closing on Wall Street**

A

[illegible]

10-1-85



August Strindberg

By Olof Lagercrantz. Translated by Anselm Hollo. 399 pp. \$25.50.
Farrar Straus Giroux, 19 Union Square
West, New York, N. Y. 10003.

ONE can hardly imagine a more fascinating, or a more formidable biographical subject than August Strindberg. Aside from writing some of the most powerful dramas to write the stage at any time, he dramatized his own life with an uninhibited flair that sometimes verged on the bathetic, and sometimes came close to a form of insanity.

The extreme volatility of his temperament was accompanied by an egotism that led him from manic peaks of self-esteem to abysses of humiliation and despair. His relations with women and his attitudes toward them are, of course, rich material for a psychoanalytic case-study — a study that Strindberg himself was constantly pursuing and reformulating in a

Lagercrantz, a Swedish poet and literary critic and the first scholar to undertake a major study of Strindberg in 1907, was troubled by all these multiple strands in his subject's life and character. Unfortunately, he doesn't delve into them with either the analytic or the imaginative forcefulness required to convey and comprehend Strindberg's intense struggles and contradictions. The result is an informative, but oddly flat study of this most highly etched of personalities.

Indeed, Lagercrantz's prevailing attitude is one of cautious and almost hostile skepticism. Strindberg, Lagercrantz contends, was basically a poseur, always creating scenarios and personae that fueled his art, but that had only a tenuous correspondence to the realities of his life. Autobiographical works like *The Serving Maid's Son* are treated as a fabric of self-deceptions and sentimental exaggerations. While that of his work's first chapter is titled "Afraid of Death and Hunger," Lagercrantz notes, in fact, that Strindberg grew up in a relatively well-to-do household. Even his father's bankruptcy didn't diminish the family much hardship. And while Strindberg continually emphasized his youthful loneliness, there is plenty of evidence that he was sociable and surrounded by good friends.

Strindberg, Lagercrantz tells us, got into the habit of presenting himself as the victimized, persecuted genius—a habit that may account for the virulence of his attacks on his putative enemies in such confessional works as the stories in "Marrying," or the highly provocative novel "A Fool's Apology." But while it may be true that Strindberg delighted in offending the sensibilities of the bourgeois wiveweds of his day, he certainly succeeded with vengeance that gave credence to his paranoia. His works often went unpublished and were sometimes censored. At best, they caused scandal and high moral outrage—even while the artist was becoming ever more of a celebrity. Lagercrantz is equally intent on unmasking

Strindberg's recurring spiritual crises and dark nights of the soul. For example, referring to Strindberg's letter that suggests suicidal impulses, the author writes that the "prodigious" and that "his alleged state of extreme tension is described with remarkable linguistic control." But again, even if there was method in Strindberg's madness, that does not preclude the possibility that the state was genuine.

Early on, Strindberg referred to himself as "unmanly"; he was obsessed by the size of his penis, and equally preoccupied by his own creative powers, which he described in unequivocal metaphors of birth and fertility. As a young, old-style, male sense of his "unmanliness" gave way to an almost mystical and, at the same time, very modern conviction that human identity is hardly a unified entity, but a swirl of colliding, nearly impersonal particles and parts. In his late novel, "The Roof-Raising," he wrote, "His own ego dissolved, and the innate character was seen to have been the mask behind which he had played his part, created by assimilation or conditions of life, and according to the law of the greatest exchange of conditions during the process of development."

In such observations, Strindberg looks forward to the later perceptions of psychoanalysis, and to such writers as D. H. Lawrence or James Joyce. It would have been illuminating if Lagercrantz had placed Strindberg in a wider intellectual context — if he had told us something about the dramatic soil from which his naturalist plays emerged, or analyzed his impact on such later artists as Eugene O'Neill and Ignar Bergman. As it stands, the biography is probably most useful in pointing us to the great variety of Strindberg's work — in reminding us that he was a forward-looking painter, an ethnographer, journalist, historian, amateur scientist, and author of many hardly remembered novels and plays. There remains a Strindberg still to be discovered.

Eva Hoffman is on the staff of The New York Times.

GOOD bidding and defense, plus a small slip by the declarer, gave East-West a top-score on the diagrammed deal. A weak jump overcall usually needs a six-card suit. But West tried it with five cards in view of the favorable

North's double was negative, rather than for penalties. East then made a key bid. Three hearts showed spade support but a desire for a heart lead. This was entirely logical. With a long, strong heart suit he would have opened the bidding.

South eventually tried four clubs, ending the auction. West dutifully led a heart, and East took the jack with the king. He shifted to the spade suit, and declarer ducked. West took the king and shifted back to hearts. South played low from dum-

my, ruffed then ten, and cashed the K-Q of clubs. He had to save his remaining small rump to control hearts, so he led to the spade queen, leaving his position:

NORTH
 ♠—
 ♥Q4
 ♦Q83
 ♣A10
 WEST
 ♠85
 ♥87
 ♦A7
 ♣—
 SOUTH
 ♠A
 ♥—
 ♦KJ884
 ♣8
 EAST
 ♠2
 ♥A8
 ♦J883
 ♣J

South led to the diamond

South should have continued diamonds, resigning himself to defeat if the defenders

took a ruff. But he made the error of cashing the spade ace and throwing a heart from dummy. When he then played a diamond, it was too late: West took the ace and played a spade, promoting East's club jack as the setting trick.

NORTH (D)

♣Q8
♥QJ43
♦Q83
♠A1092

WEST

♣KJ833
♥9762
♦A7
♠65

EAST

♠1092
♥AK108
♦1052
♣J74

SOUTH

♠A74
♥5
♦10864

North and South were vulnerable.
The bidding:

North	East	South	West
Pass	Pass	1♣	2♣
Dbl.	3♥	Pass	3♣
Pass	Pass	4♣	Pass
Pass	Pass	Pass	

West led the heart six.

Canadian Stock Markets Jan. 8[illegible]

Close Prev.	Bayer	194.80	195
	Bayer-Hyp.	138	140
	Bayer-Ver.Bank	338.50	339

[illegible]

Other Markets Jan. 9

[illegible]

Europe 1	840	830	Poséidon	255	255
Gen Eaux	555	558	RGC	130	130
Hachette	1.480	1.488	Equipe	201	200

[illegible]

Japan Vehicle Registrations

TOKYO — Japanese new-vehicle registrations in December fell 4.3 percent from a year earlier, to 321,909, and were down from 342,874 in November, the Japanese Automobile Dealers Association said Wednesday.

L	A	D	S	S	T	E	A	M	S	A
A	N	E	T	C	A	N	C	E	E	R

A	R	E	A	P	A	N	D	A	E	K
I	D	E	A	E	D	D	A	S	C	I
C	Y	M	B	A	L	S	P	H	A	R
			L	I	L	S	T	E	R	E
S	P	E	E	D	I	L	L	O	E	T
P	E	R	E	N	E	M	L	S	E	R
U	T	A	H	G	I	B	U	S	D	I
M	A	S	O	N	S	O	L	E	S	C
E	L	E	M	I	S	L	E	M	O	N
			O	P	A	L	S	T	R	E
S	U	R	N	A	M	E	E	T	E	R
T	R	E	A	C	E	T	O	V	A	
A	D	A	M	R	O	M	A	N	E	T
B	U	D	S	A	N	E	L	E	S	O

1 10 25

Montedison	1,375	1,347	8K-F
Olivetti	5,951	5,905	Swed
Pirelli	1,348	1,305	Volvo

City	Rank	Artist	Source
PARIS			
RAS	57,420	36,250	After
Ricciocento	51	1,300	Source
SNP	1,072	1,860	
Snls	2,178	2,121	
Index	8,468	8,232	
<p>Previous 1/2/85: N.A. (From 2/2/85 - 1980): Source: A.F.P.</p>			
<h2>Paris</h2>			
Air Liquide	548	549	
Althorn Art	712	202	33
Av. Discus	869	990	CRA
Beacine	900	990	CRB
Bouyages	731	741	14
BSP	2,350	2,340	Holder
Correleur	1,260	1,220	MIY
Club Med	1,095	1,090	MIY
Club Med	97	241	20
Dunrez	727	727	

181 180
 227 227
 228 224

Match
 Previous: 11,679.37
 Source: Reuters

<p> Sydney 128 192 222 258 354 564 454 314 514 454 354 354 192 192 222 258 470 470 270 270 187 187 352 352 175 176 220 220 222 222 149 149 </p>	<p> Zurich Bank Leu Brown Boveri Credit Suisse Credit Suisse Electrowatt Gebr. Buecher Jeumont Nestlé Oerlikon-B Roche Baby Sulzer SBC Swissair Winterthur Bank Winterthur Zurich Ints. </p>
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Abstract

1,805	1001
1,438	1002
2,580	1003
2,785	1004
2,478	1005
625	1006
1,750	1007
3,920	1008
1,235	1009
N.A.	1010
1,448	1011
587	1012
1,103	1013
2,430	1014
4	1015
18,700	1016

SPORTS

Strong Foreign Contingent to Spice 1985 PGA Tour

By Gordon S. White Jr.
New York Times Service

NEW YORK — Fuzzy Zoeller, the reigning U.S. Open golf champion, was not around for Wednesday's start of the 1985 PGA tour, the Bob Hope Classic on four courses in Palm Springs, California. Nevertheless, Zoeller is delighted because he can swing his clubs again. He even thinks he can rejoin the tour when it reaches Florida in the second week of February.

Thus the PGA tour, always in need of the charm and popularity provided by players like Zoeller, will regain one of its biggest attractions after the six Far West tournaments are held in California, Arizona and Hawaii.

But by then Zoeller and other familiar tour stars may find they have some new rivals for fans' attention. For in 1985 they may be facing one of the strongest foreign invasions in the history of the PGA tour, an invasion led by Greg Norman and Seve Ballesteros, two well-known foreign stars, and joined by Denis Watson, Tommy Nakajima and Bernhard Langer.

Zoeller won the Open last June during five painful rounds at Winged Foot, beating Australian Norman in the 18-hole playoff. During the tournament he had to overcome constant pain in his back, and he wore a specially built electric belt at night to give himself treatment.

But the condition deteriorated, and Zoeller could not tee it up for the PGA Championship at Shoal Creek, Alabama, in August. The back pain was so intense that he was hospitalized in Birmingham, Alabama, the night before the tournament began. On Sept. 25, he underwent surgery to repair two ruptured spinal disks.

Last week Zoeller's doctor told him he could begin to practice a little each day.

"I went right out and hit five

balls toward the lake behind the house," Zoeller said. "And nothing fell apart. That's something right there. I had originally thought I'd get back for Bay Hill, but now I'm shooting for Doral." The Doral Open in Miami begins Feb. 21; the Bay Hill tournament runs from March 7-10.

Last year, the four major tournaments were won by four of the most popular personalities on the PGA tour — Ben Crenshaw (the Mas-

ters), Zoeller, Ballesteros (the British Open) and Lee Trevino (the PGA).

Trevino won the PGA at the age of 44 despite the fact that he, too, suffers from severe back pain. With Trevino, it is so persistent that he doesn't practice anymore. He underwent back surgery some years ago after being struck by lightning during a Western Open.

Ballesteros won the 1984 British Open at St. Andrews at a time when his back was not bothering him, although the Spaniard has also been similarly hampered from time to time.

But Crenshaw, the popular Texan who attained his first major victory in the Masters, does not complain of back problems.

Most golf fans will be rooting for Zoeller to return to full strength quickly. They also want to see Trevino, Ballesteros and Crenshaw continue to win.

Ballesteros, of course, will be leading the group of foreign players trying to make their mark. The Spaniard has been playing in the United States for several years, and Gary Player of South Africa has been around much longer. But there are four other foreign golfers who have given every indication that they will be able to earn a big share of the record \$22 million-plus in purses to be offered in 1985.

Norman, who was the hottest golfer on the 1984 tour during a midsummer stretch of about six weeks, won \$310,000, ninth on the 1984 money list. He and Ballesteros are entering their second year as card-carrying PGA tour golfers. Denis Watson of South Africa won the NEC World Series of Golf last August and finished fourth on the tour's earnings list with \$408,562. At 29, he may be expected to improve.

Japan's Nakajima won only \$79,000 last year and should do far better this season.

But another foreign golfer widely

believed to be a possible future star and major tournament champion is Langer of West Germany. He will be playing as a regular member of the PGA tour for the first time this year, so he will be in at least 15 tournaments, and probably more. He arrives after being the leading money winner on the European tour last season.

The 27-year-old Langer, whose biggest problem is his putting, finished impressively in the British Open, tying Tom Watson for runner-up.

From tee to green, Langer played better golf at St. Andrews than anyone else. But he has the strange style of putting left-handed on some putts and right-handed on others. Until he gets his putting

resolved, he may have problems with consistency.

This year the PGA tour may include a skins competition at some of its tournament sites. This is a takeoff on the four-man Skins Game that was held in November of 1983 and 1984 in Arizona, with Jack Nicklaus, Player, Arnold Palmer and Tom Watson.

The plan is for a skins game at each site, with the previous year's winner of that particular tournament pitted against the three current leading money winners on the tour. No tournament must hold a skins game, and so far there is no corporate sponsor for them. If it comes about, the skins game will probably be held on the Tuesday of a tournament week.

Jarrry and Kriek Take Openers of N.Y. Tennis

The Associated Press

NEW YORK — The Swedish battle went the way John McEnroe thought it would, not the way he wanted it to. When Tuesday night's opening match of Masters tennis tournament was completed, it was Anders Jarryd who had advanced to a quarterfinal meeting against McEnroe, the event's defending champion and No. 1 seed.

Jarryd, in command at the net, beat Henrik Sundstrom, his Swedish Davis Cup teammate, 6-4, 6-1 before Johan Kriek ousted 17-year-old Aaron Krickstein, 7-5, 6-3.

The first round was to conclude Wednesday with Swede Joakim Nystrom playing Vitas Gerulaitis and Eliot Teltscher meeting Czechoslovak Tomas Smid. The top four seeds, led by McEnroe, await the first-round winners in the quarterfinals of the season-ending event with an elite 12-player field.

The last time Jarryd and McEnroe battled was in the semifinals of the Stockholm Open the first week of November. McEnroe won that match, but the fiery New Yorker's temper got the better of him as he smashed his racket against his equipment bag, paper cups and a canister of water.

McEnroe was fined by the International Professional Tennis Council, pushing him above the limit and giving him an automatic 21-day suspension.

Despite the outburst, McEnroe edged Jarryd and went on to capture the tournament, stopping Sweden's Mats Wilander in the final. But the suspension and a subsequent wrist injury idled McEnroe until mid-December when he led the United States against Sweden in the Davis Cup final.

There, Sundstrom downed McEnroe in the opening singles and, after McEnroe and Peter Fleming fell to Jarryd and Stefan Edberg in the doubles, Sweden held an insurmountable 3-0 lead.

So McEnroe wanted to play Sundstrom here. But he rightly figured Jarryd's experience in doubles would help his net game and advance the oldest member of the Swedish hierarchy into the quarterfinal meeting Thursday night.

Kriek's victory sent him into a quarterfinal match Thursday against Wilander, the No. 4 seed. They last met in the semifinals of the Australian Open last month, when Wilander en route to his second consecutive title in 1984's final grand slam tournament.

Wednesday's winners will find themselves against tough opponents in the next round on Friday. The Nystrom-Gerulaitis survivor takes on Ivan Lendl, the No. 3 seed, while the Teltscher-Smid survivor advances to a quarterfinal berth against second-seeded Jimmy Connors.



Winner Michela Figini, flanked by second-placed Brigitte Oertli, right, and Ariane Ehrhart.

Figini Leads Swiss to a Slalom Sweep

Compiled by Our Staff From Dispatches

BAD KLEINKIRCHHEIM, Austria — Olympic champion Michela Figini led Switzerland to a sweep of the first three places Wednesday in the women's World Cup downhill race, underlining Switzerland's current strength on the Alpine circuit.

Figini, 18, hurtled down the 2,670-meter (8,760-foot) track with

a drop of 700 meters in 1 minute, 43.23 seconds; her Swiss teammates, Brigitte Oertli and Ariane Ehrhart, were clocked in 1:43.83 and 1:44.32, respectively.

"I am very pleased with my performance," said Figini. "I didn't make the slightest mistake on my way down and the extreme cold didn't bother me at all."

"We're all in good form," Figini said, commenting on the strong Swiss showing — which also included Maria Walliser's finishing fifth in 1:44.61.

Elisabeth Kirschner of Austria was fourth in 1:44.33 after losing time near the end of the piste.

Figini's victory marked the second women's triumph for Switzerland in three cup downhill races this winter; the two previous races were taken by Zoe Haas of Switzerland (15th Wednesday in 1:45.37) and Kirschner.

Figini, who had been sixth in the women's overall cup standings, moved into second place. Her victory boosted Figini's point total to 105, 12 behind leader Marina Kiehl of West Germany.

Kiehl finished seventh Wednesday in 1:44.67. There will be a women's downhill here Thursday, making up for a race that had to be canceled at Altenmarkt, Austria, for lack of snow. Said Figini: "I hope to make it a double victory."

Figini, who also won last Friday's World Cup giant slalom race at Maribor, Yugoslavia, is considered capable of repeating the performance of Austria's former downhill queen Annemarie Moser-Pröll, who won back-to-back downhill titles in 1978 at Badgastein, Austria.

Travel Complaints Rejected
Serge Lang, the "father" of the World Cup since the circuit began in 1966, rejected charges Wednesday that the international racing calendar involves too much travel, United Press International reported from Kitzbühel, Austria.

Lang denied a recent jaunt from West Germany to southern France and then to Austria for four races in less than a week was too tough for the men to handle. "The only ones complaining are the coaches," he said. "The coaches pretend to be pros — let them be treated as pros. They are just acting like spoiled little children."

Until the recent cold spell, warm weather since late November had disrupted the tightly-packed cup schedule, forcing dozens of postponements and venue changes.

Last Friday the men raced a slalom in Bad Wiessee, West Germany; then they flew to La Mongie, in the French Pyrenees, for a Sunday and Monday series before flying to

Munich and then going to Schlading, Austria, for a giant slalom Tuesday.

Coaches and skiers have been quoted as complaining about the amount of travel. "Certainly there was a delay on a charter flight," Lang said, but "... you just have to accept them."

Reports said that as many as 23 passengers scheduled to take a charter to France for the La Mongie race had to spend the night in Munich and travel on commercial flights later after a scheduled charter flight proved to be overbooked.

"The only criticism I will accept is that we have too many races," Lang said. The men's circuit will stay in Europe through mid-February before moving to Japan for a March race and a concluding series in North America.

John Henry, Slew o' Gold Win Awards

Compiled by Our Staff From Dispatches

NEW YORK — John Henry won the sixth championship of his illustrious racing career as the winners of the Eclipse Awards were announced here Tuesday night. While Slew o' Gold and Slew o' Gold were honored posthumously.

Swale, the winner of the Kentucky Derby and Belmont Stakes who dropped dead a week after the June 9 Belmont, was voted 3-year-old of the year.

Elio, who died of colic in December, won the Nov. 10 Breeders' Cup Sprint and was named champion sprinter.

Slew o' Gold, who missed an unbeaten year when he lost in the controversial Breeders' Cup Classic before being retired to stud, won his second straight divisional award.

The 4-year-old was named best older male horse after winning five of six starts and earning a single-year record of \$2,267,944.

In becoming the oldest horse ever voted an Eclipse Award, John Henry, a 10-year-old gelding, won his fourth male grass championship with six victories, a second and a third in nine starts for \$2,356,650, which boosted his career earnings to \$6,597,947. That total is more than \$3 million ahead of Slew o' Gold, racing's second-biggest money winner.

The other Eclipse Awards won by John Henry had been best older horse and horse of the year in 1980. The only winner of more Eclipse Awards was another gelding, Forego, who collected eight.

John Henry and Slew o' Gold are the leading contenders for horse of the year, which will be announced at the Eclipse Awards dinner in Los Angeles Feb. 8.

All the other Eclipse Award winners were announced Tuesday based on voting by members of the National Turf Writers Association. The Daily Racing Form and racing secretaries of Thoroughbred Racing Association member tracks.

The other winners were Chief's Crown, 2-year-old colt; Outstandingly, 2-year-old filly; Life's Magic, 3-year-old filly; Princess Rooney, older filly or mare; and Royal Heroine, female turf horse. Flatterer was named as champion steeplechase horse by a special committee for the second straight year. Second was Census.

The other runners-up were Saratoga Six, 2-year-old colt; Folk Art, 2-year-old filly; Gate Dancer, 3-year-old colt; Miss Oceana, 3-year-old filly; Wild Again, older male horse; Heatherton, older filly or mare; Majesty's Prince, male turf horse; Sabin, female turf horse, and Track Barron, sprinter.

Pat Day, who rode 400 winners (including Wild Again in an upset victory over Slew o' Gold in the Breeders' Cup Classic), was named rider of the year. Wesley Ward, a 16-year-old who rode in New York and New Jersey, was voted the top apprentice jockey.

Jack Van Berg was named 1984's best trainer; Van Berg handled Preakness winner Gate Dancer and saddled 258 winners in all. The top owner for the second straight year was John Frazee, who led the nation in victories (172) and earnings (\$3,148,232). (AP, WP)

SCOREBOARD

Auto Racing

Final 1984 Standings

FORMULA ONE

1. Niki Lauda, Ferrari, 44 points; 2. Alain Prost, Ferrari, 42.5; 3. Gilles Villeneuve, Renault, 34; 4. Nelson Piquet, Williams, 28; 5. Michele Alboreto, Ferrari, 27; 6. Rene Arnoux, Renault, 27; 7. Derek Warwick, Renault, 23; 8. Keke Rosberg, Williams, 20; 9. Nigel Mansell, Williams, 18; 10. Patrick Tambay, Ferrari, 11.

INDY CAR WORLD SERIES

1. Mario Andretti, 177 points; 2. Tom Sneva, 163; 3. Bobby Rahal, 157; 4. Danny Sullivan, 118; 5. Rick Mears, 115; 6. Al Unser Jr., 102; 7. Michael Andretti, 92; 8. Geoff Brabham, 87; 9. Al Unser Sr., 76; 10. Donny Owens, 52.

NASCAR

1. Mario Andretti, 927.267; 2. Rick Mears, 875.044; 3. Tom Sneva, 877.216; 4. Bobby Rahal, 855.678; 5. Danny Sullivan, 850.894; 6. Al Unser Sr., 847.025; 7. Michael Andretti, 847.328; 8. Geoff Brabham, 842.235; 9. Roberto Guerrero, 840.914; 10. Al Unser Jr., 832.364.

U.S. GRAND NATIONAL

1. Terry Labonte, 428 points; 2. Harry Gant, 440; 3. Bill Elliott, 437.4; 4. Dale Earnhardt, 436.5; 5. Darrell Waltrip, 425.6; 6. Bobby Allison, 419.7; 7. Ricky Rudd, 378.8; 8. Neil Bonnett, 388.9; 9. Geoff Bodine, 372.6; 10. Richard Petty, 344.3.

Endurance

1. Terry Labonte, 428 points; 2. Darrell Waltrip, 425.6; 3. Bill Elliott, 437.4; 4. Harry Gant, 440; 5. Bobby Allison, 419.7; 6. Dale Earnhardt, 436.5; 7. Ricky Rudd, 378.8; 8. Neil Bonnett, 388.9; 9. Geoff Bodine, 372.6; 10. Richard Petty, 344.3.

U.S. Horse Racing

Final 1984 Standings

THOROUGHBRED RACING

Jockeys

1. Steve Cavanagh, 1,580; 2. Steve Cavanagh, 1,580; 3. Steve Cavanagh, 1,580; 4. Steve Cavanagh, 1,580; 5. Steve Cavanagh, 1,580; 6. Steve Cavanagh, 1,580; 7. Steve Cavanagh, 1,580; 8. Steve Cavanagh, 1,580; 9. Steve Cavanagh, 1,580; 10. Steve Cavanagh, 1,580.

Trainers

1. Steve Cavanagh, 1,580; 2. Steve Cavanagh, 1,580; 3. Steve Cavanagh, 1,580; 4. Steve Cavanagh, 1,580; 5. Steve Cavanagh, 1,580; 6. Steve Cavanagh, 1,580; 7. Steve Cavanagh, 1,580; 8. Steve Cavanagh, 1,580; 9. Steve Cavanagh, 1,580; 10. Steve Cavanagh, 1,580.

Owners

1. Steve Cavanagh, 1,580; 2. Steve Cavanagh, 1,580; 3. Steve Cavanagh, 1,580; 4. Steve Cavanagh, 1,580; 5. Steve Cavanagh, 1,580; 6. Steve Cavanagh, 1,580; 7. Steve Cavanagh, 1,580; 8. Steve Cavanagh, 1,580; 9. Steve Cavanagh, 1,580; 10. Steve Cavanagh, 1,580.

HARNESS RACING

Drivers

1. William O'Donnell, 57,259; 2. John Campbell, 57,201; 3. Rudy Chubb, 54,488; 4. Michael Lachance, 53,888; 5. Mickey MacIntosh, 53,432; 6. Horve Fillion, 53,023; 7. Corinne Abbott, 52,625; 8. Ron Wilson, 52,171; 9. Tom Houghton, 52,135; 10. Jim Deberry, 52,371.

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Hockey

NHL Standings

WALEY CONFERENCE

1. Philadelphia, 33; 2. New York Islanders, 22; 3. Pittsburgh, 15; 4. New York Rangers, 12; 5. New Jersey, 12; 6. Boston, 12; 7. Montreal, 12; 8. Toronto, 12; 9. Washington, 12; 10. Chicago, 12; 11. Detroit, 12; 12. St. Louis, 12; 13. Minnesota, 12; 14. Dallas, 12; 15. San Jose, 12; 16. Los Angeles, 12; 17. Vancouver, 12; 18. Edmonton, 12; 19. Winnipeg, 12; 20. Phoenix, 12; 21. Colorado, 12; 22. Calgary, 12; 23. Quebec, 12; 24. Hartford, 12; 25. New York Islanders, 12; 26. Philadelphia, 12; 27. Pittsburgh, 12; 28. New York Rangers, 12; 29. New Jersey, 12; 30. Boston, 12; 31. Montreal, 12; 32. Toronto, 12; 33. Washington, 12; 34. Chicago, 12; 35. Detroit, 12; 36. St. Louis, 12; 37. Minnesota, 12; 38. Dallas, 12; 39. San Jose, 12; 40. Los Angeles, 12; 41. Vancouver, 12; 42. Edmonton, 12; 43. Winnipeg, 12; 44. Phoenix, 12; 45. Colorado, 12; 46. Calgary, 12; 47. Quebec, 12; 48. Hartford, 12; 49. New York Islanders, 12; 50. Philadelphia, 12; 51. Pittsburgh, 12; 52. New York Rangers, 12; 53. New Jersey, 12; 54. Boston, 12; 55. Montreal, 12; 56. Toronto, 12; 57. Washington, 12; 58. Chicago, 12; 59. Detroit, 12; 60. St. Louis, 12; 61. Minnesota, 12; 62. Dallas, 12; 63. San Jose, 12; 64. Los Angeles, 12; 65. Vancouver, 12; 66. Edmonton, 12; 67. Winnipeg, 12; 68. Phoenix, 12; 69. Colorado, 12; 70. Calgary, 12; 71. Quebec, 12; 72. Hartford, 12; 73. New York Islanders, 12; 74. Philadelphia, 12; 75. Pittsburgh, 12; 76. New York Rangers, 12; 77. New Jersey, 12; 78. Boston, 12; 79. Montreal, 12; 80. Toronto, 12; 81. Washington, 12; 82. Chicago, 12; 83. Detroit, 12; 84. St. Louis, 12; 85. Minnesota, 12; 86. Dallas, 12; 87. San Jose, 12; 88. Los Angeles, 12; 89. Vancouver, 12; 90. Edmonton, 12; 91. Winnipeg, 12; 92. Phoenix, 12; 93. Colorado, 12; 94. Calgary, 12; 95. Quebec, 12; 96. Hartford, 12; 97. New York Islanders, 12; 98. Philadelphia, 12; 99. Pittsburgh, 12; 100. New York Rangers, 12; 101. New Jersey, 12; 102. Boston, 12; 103. Montreal, 12; 104. Toronto, 12; 105. Washington, 12; 106. Chicago, 12; 107. Detroit, 12; 108. St. Louis, 12; 109. Minnesota, 12; 110. Dallas, 12; 111. San Jose, 12; 112. Los Angeles, 12; 113. Vancouver, 12; 114. Edmonton, 12; 115. Winnipeg, 12; 116. Phoenix, 12; 117. Colorado, 12; 118. Calgary, 12; 119. Quebec, 12; 120. Hartford, 12; 121. New York Islanders, 12; 122. Philadelphia, 12; 123. Pittsburgh, 12; 124. New York Rangers, 12; 125. New Jersey, 12; 126. Boston, 12; 127. Montreal, 12; 128. Toronto, 12; 129. Washington, 12; 130. Chicago, 12; 131. Detroit, 12; 132. St. Louis, 12; 133. Minnesota, 12; 134. Dallas, 12; 135. San Jose, 12; 136. Los Angeles, 12; 137. Vancouver, 12; 138. Edmonton, 12; 139. Winnipeg, 12; 140. Phoenix, 12; 141. Colorado, 12; 142. Calgary, 12; 143. Quebec, 12; 144. Hartford, 12; 145. New York Islanders, 12; 146. Philadelphia, 12; 147. Pittsburgh, 12; 148. New York Rangers, 12; 149. New Jersey, 12; 150. Boston, 12; 151. Montreal, 12; 152. Toronto, 12; 153. Washington, 12; 154. Chicago, 12; 155. Detroit, 12; 156. St. Louis, 12; 157. Minnesota, 12; 158. Dallas, 12; 159. San Jose, 12; 160. Los Angeles, 12; 161. Vancouver, 12; 162. Edmonton, 12; 163. Winnipeg, 12; 164. Phoenix, 12; 165. Colorado, 12; 166. Calgary, 12; 167. Quebec, 12; 168. Hartford, 12; 169. New York Islanders, 12; 170. Philadelphia, 12; 171. Pittsburgh, 12; 172. New York Rangers, 12; 173. New Jersey, 12; 174. Boston, 12; 175. Montreal, 12; 176. Toronto, 12; 177. Washington, 12; 178. Chicago, 12; 179. Detroit, 12; 180. St. Louis, 12; 181. Minnesota, 12; 182. Dallas, 12; 183. San Jose, 12; 184. Los Angeles, 12; 185. Vancouver, 12; 186. Edmonton, 12; 187. Winnipeg, 12; 188. Phoenix, 12; 189. Colorado, 12; 190. Calgary, 12; 191. Quebec, 12; 192. Hartford, 12; 193. New York Islanders, 12; 194. Philadelphia, 12; 195. Pittsburgh, 12; 196. New York Rangers, 12; 197. New Jersey, 12; 198. Boston, 12; 199. Montreal, 12; 200. Toronto, 12; 201. Washington, 12; 202. Chicago, 12; 203. Detroit, 12; 204. St. Louis, 12; 205. Minnesota, 12; 206. Dallas, 12; 207. San Jose, 12; 208. Los Angeles, 12; 209. Vancouver, 12; 210. Edmonton, 12; 211. Winnipeg, 12; 212. Phoenix, 12; 213. Colorado, 12; 214. Calgary, 12; 215. Quebec, 12; 216. Hartford, 12; 217. New York Islanders, 12; 218. Philadelphia, 12; 219. Pittsburgh, 12; 220. New York Rangers, 12; 221. New Jersey, 12; 222. Boston, 12; 223. Montreal, 12; 224. Toronto, 12; 225. Washington, 12; 226. Chicago, 12; 227. Detroit, 12; 228. St. Louis, 12; 229. Minnesota, 12; 230. Dallas, 12; 231. San Jose, 12; 232. Los Angeles, 12; 233. Vancouver, 12; 234. Edmonton, 12; 235. Winnipeg, 12; 236. Phoenix, 12; 237. Colorado, 12; 238. Calgary, 12; 239. Quebec, 12; 240. Hartford, 12; 241. New York Islanders, 12; 242. Philadelphia, 12; 243. Pittsburgh, 12; 244. New York Rangers, 12; 245. New Jersey, 12; 246. Boston, 12; 247. Montreal, 12; 248. Toronto, 12; 249. Washington, 12; 250. Chicago, 12; 251. Detroit, 12; 252. St. Louis, 12; 253. Minnesota, 12; 254. Dallas, 12; 255. San Jose, 12; 256. Los Angeles, 12; 257. Vancouver, 12; 258. Edmonton, 12; 259. Winnipeg, 12; 260. Phoenix, 12; 261. Colorado, 12; 262. Calgary, 12; 263. Quebec, 12; 264. Hartford, 12; 265. New York Islanders, 12; 266. Philadelphia, 12; 267. Pittsburgh, 12; 268. New York Rangers, 12; 269. New Jersey, 12; 270. Boston, 12; 271. Montreal, 12; 272. Toronto, 12; 273. Washington, 12; 274. Chicago, 12; 275. Detroit, 12; 276. St. Louis, 12; 277. Minnesota, 12; 278. Dallas, 12; 279. San Jose, 12; 280. Los Angeles, 12; 281. Vancouver, 12; 282. Edmonton, 12; 283. Winnipeg, 12; 284. Phoenix, 12; 285. Colorado, 12; 286. Calgary, 12; 287. Quebec, 12; 288. Hartford, 12; 289. New York Islanders, 12; 290. Philadelphia, 12; 291. Pittsburgh, 12; 292. New York Rangers, 12; 293. New Jersey, 12; 294. Boston, 12; 295. Montreal, 12; 296. Toronto, 12; 297. Washington, 12; 298. Chicago, 12; 299. Detroit, 12; 300. St. Louis, 12; 301. Minnesota, 12; 302. Dallas, 12; 303. San Jose, 12; 304. Los Angeles, 12; 305. Vancouver, 12; 306. Edmonton, 12; 307. Winnipeg, 12; 308. Phoenix, 12; 309. Colorado, 12; 310. Calgary, 12; 311. Quebec, 12; 312. Hartford, 12; 313. New York Islanders, 12; 314. Philadelphia, 12; 315. Pittsburgh, 12; 316. New York Rangers, 12; 317. New Jersey, 12; 318. Boston, 12; 31

